



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

Golden Rule Insurance Company

NAIC Group Code	<u>0707</u> (Current)	<u>0707</u> (Prior)	NAIC Company Code	<u>62286</u>	Employer's ID Number	<u>37-6028756</u>
Organized under the Laws of	<u>Indiana</u>			State of Domicile or Port of Entry		<u>IN</u>
Country of Domicile	<u>United States of America</u>					
Incorporated/Organized	<u>06/17/1959</u>			Commenced Business	<u>06/23/1961</u>	
Statutory Home Office	<u>7440 Woodland Drive</u> (Street and Number)			<u>Indianapolis , IN, US 46278</u> (City or Town, State, Country and Zip Code)		
Main Administrative Office	<u>7440 Woodland Drive</u> (Street and Number)					
	<u>Indianapolis , IN, US 46278</u> (City or Town, State, Country and Zip Code)			<u>317-290-8100</u> (Area Code) (Telephone Number)		
Mail Address	<u>7440 Woodland Drive</u> (Street and Number or P.O. Box)			<u>Indianapolis , IN, US 46278</u> (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	<u>7440 Woodland Drive</u> (Street and Number)					
	<u>Indianapolis , IN, US 46278</u> (City or Town, State, Country and Zip Code)			<u>317-290-8100</u> (Area Code) (Telephone Number)		
Internet Website Address	<u>goldenrule.com</u>					
Statutory Statement Contact	<u>Jeremy Michael Schoettie</u> (Name)			<u>317-715-7918</u> (Area Code) (Telephone Number)		
	<u>jschoettie@unitedhealthone.com</u> (E-mail Address)			<u>317-298-0875</u> (FAX Number)		

OFFICERS

President, Chief Executive Officer, Chair	<u>Patrick Francis Carr</u>	Treasurer	<u>Robert Worth Oberrender</u>
Secretary	<u>Richard Charles Sullivan</u>	Vice President, Chief Financial Officer	<u>Jeremy Michael Schoettie #</u>

OTHER

<u>Michael Lee Corne, Vice President</u>	<u>Nyle Brent Cottingham, Vice President</u>	<u>Douglas Ford Crockett #, Vice President, Chief Operating Officer</u>
<u>James Mark Gabriel, Senior Vice President</u>	<u>Joy Olilani Chieko Higa #, Assistant Secretary</u>	<u>Heather Anastasia Lang Jacobsen #, Assistant Secretary</u>
<u>James Elmer Prochnow, Vice President</u>		

DIRECTORS OR TRUSTEES

<u>Patrick Francis Carr</u>	<u>Michael Lee Corne</u>	<u>Douglas Ford Crockett</u>
<u>James Mark Gabriel</u>	<u>Richard Charles Sullivan</u>	

State of Indiana SS:
County of Marion

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Patrick Francis Carr</u> President, Chief Executive Officer, Chair	<u>Richard Charles Sullivan</u> Secretary	<u>Jeremy Michael Schoettie</u> Vice President, Chief Financial Officer
--	--	--

Subscribed and sworn to before me this _____ day of _____

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	361,495,140		361,495,140	480,094,970
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	2,685,856		2,685,856	2,883,251
4.2 Properties held for the production of income (less \$0 encumbrances)			0	0
4.3 Properties held for sale (less \$0 encumbrances)			0	0
5. Cash (\$2,902,358 , Schedule E - Part 1), cash equivalents (\$259,383 , Schedule E - Part 2) and short-term investments (\$21,960,848 , Schedule DA)	25,122,589		25,122,589	27,408,438
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	15,422,449		15,422,449	17,287,933
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	404,726,034	0	404,726,034	527,674,592
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	3,391,027		3,391,027	4,351,314
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	10,994,240	1,928	10,992,312	13,400,398
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$96,124)	96,124		96,124	316,131
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,372,863		1,372,863	2,275,394
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	561,551		561,551	577,329
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	34,917,380		34,917,380	19,514,722
18.2 Net deferred tax asset	21,016,127	7,292,490	13,723,637	14,430,605
19. Guaranty funds receivable or on deposit	2,373,912		2,373,912	3,173,632
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	47,513,063		47,513,063	43,029,268
24. Health care (\$8,450,591) and other amounts receivable	11,443,787	2,993,196	8,450,591	6,822,130
25. Aggregate write-ins for other than invested assets	10,301,849	8,932,170	1,369,679	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	548,707,957	19,219,784	529,488,173	635,565,515
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	548,707,957	19,219,784	529,488,173	635,565,515
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Advances and Prepaids	8,915,033	8,915,033	0	0
2502. State Taxes Receivable	1,369,679	0	1,369,679	0
2503. Miscellaneous Receivables	17,137	17,137	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	10,301,849	8,932,170	1,369,679	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts \$61,259 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	61,259	56,371
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	68,649,789	75,477,817
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)	0	0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	609,357	632,862
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	160,862,888	166,504,260
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$19,115,415 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	19,129,214	17,652,742
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$6,416,094 accident and health experience rating refunds of which \$5,579,105 is for medical loss ratio rebate per the Public Health Service Act	6,416,094	13,328,242
9.3 Other amounts payable on reinsurance, including \$ assumed and \$98,332 ceded	98,332	180,290
9.4 Interest maintenance reserve (IMR, Line 6)	8,119,642	8,893,274
10. Commissions to agents due or accrued-life and annuity contracts \$127,916 accident and health \$4,716,213 and deposit-type contract funds \$	4,844,129	4,763,966
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	3,683,410	4,047,487
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	48,890,684	27,334,179
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee	104,934	44,832
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	184,014	1,288,306
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	1,501,545	2,097,471
24.02 Reinsurance in unauthorized and certified (\$0) companies	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	0	0
24.05 Drafts outstanding	31,663,778	40,681,215
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives	0	0
24.09 Payable for securities	2,421,604	2,421,604
24.10 Payable for securities lending		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	2,197,087	2,134,103
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	359,437,760	367,539,021
27. From Separate Accounts Statement		
28. Total liabilities (Lines 26 and 27)	359,437,760	367,539,021
29. Common capital stock	3,262,704	3,262,704
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	14,162,016	14,162,016
34. Aggregate write-ins for special surplus funds	12,144,535	39,847,998
35. Unassigned funds (surplus)	140,481,158	210,753,776
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)	166,787,709	264,763,790
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	170,050,413	268,026,494
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	529,488,173	635,565,515
DETAILS OF WRITE-INS		
2501. Accrued Cost of Claims Savings	368,762	472,562
2502. Association Group Escrow Account	868,547	938,554
2503. Miscellaneous Liabilities	749,827	647,542
2598. Summary of remaining write-ins for Line 25 from overflow page	209,951	75,445
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,197,087	2,134,103
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401. Surplus Relief Related to Reinsurance	12,144,535	13,943,725
3402. Section 9010 ACA Subsequent Fee Year Assessment	0	25,904,273
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	12,144,535	39,847,998

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	1,354,232,427	1,501,285,262
2. Considerations for supplementary contracts with life contingencies	0	
3. Net investment income (Exhibit of Net Investment Income, Line 17)	8,680,040	9,480,380
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	2,611,967	2,717,258
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	3,566,533	3,233,053
7. Reserve adjustments on reinsurance ceded	0	
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	
8.2 Charges and fees for deposit-type contracts	0	
8.3 Aggregate write-ins for miscellaneous income	323,212	140,809
9. Total (Lines 1 to 8.3)	1,369,414,179	1,516,856,762
10. Death benefits	653,766	451,710
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	966,991,711	1,076,426,835
14. Coupons, guaranteed annual pure endowments and similar benefits	0	
15. Surrender benefits and withdrawals for life contracts	0	0
16. Group conversions	0	
17. Interest and adjustments on contract or deposit-type contract funds	0	
18. Payments on supplementary contracts with life contingencies	0	
19. Increase in aggregate reserves for life and accident and health contracts	(7,275,920)	(12,472,031)
20. Totals (Lines 10 to 19)	960,369,557	1,064,406,514
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	72,601,665	62,782,042
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	135,215,443	127,764,892
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	96,896,866	86,269,425
25. Increase in loading on deferred and uncollected premiums	0	
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	
27. Aggregate write-ins for deductions	85,200	72,464
28. Totals (Lines 20 to 27)	1,265,168,731	1,341,295,337
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	104,245,448	175,561,425
30. Dividends to policyholders	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	104,245,448	175,561,425
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	39,090,502	68,726,657
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	65,154,946	106,834,768
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$79,998 (excluding taxes of \$989,872 transferred to the IMR)	63,271	(2,726)
35. Net income (Line 33 plus Line 34)	65,218,217	106,832,042
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	268,026,494	313,182,627
37. Net income (Line 35)	65,218,217	106,832,042
38. Change in net unrealized capital gains (losses) less capital gains tax of \$0		
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	(101,121)	737,509
41. Change in nonadmitted assets	(5,089,913)	(971,700)
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44. Change in asset valuation reserve	595,926	45,206
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts Statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in	0	0
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance	(1,799,190)	(1,799,190)
52. Dividends to stockholders	(156,800,000)	(150,000,000)
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	(97,976,081)	(45,156,133)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	170,050,413	268,026,494
DETAILS OF WRITE-INS		
08.301. Policyholder Fees	125,400	141,463
08.302. Other Income	197,812	(654)
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	323,212	140,809
2701. Fines and Penalties	85,200	72,464
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	85,200	72,464
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,351,801,620	1,482,991,299
2. Net investment income	16,282,538	18,864,709
3. Miscellaneous income	323,212	140,808
4. Total (Lines 1 through 3)	1,368,407,370	1,501,996,816
5. Benefit and loss related payments	974,590,989	1,077,999,581
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	284,866,595	293,635,028
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	55,563,030	85,688,548
10. Total (Lines 5 through 9)	1,315,020,614	1,457,323,157
11. Net cash from operations (Line 4 minus Line 10)	53,386,756	44,673,659
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	318,617,202	280,761,116
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	69,845
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	318,617,202	280,830,961
13. Cost of investments acquired (long-term only):		
13.1 Bonds	202,930,626	192,992,851
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	202,930,626	192,992,851
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	115,686,576	87,838,110
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	156,800,000	150,000,000
16.6 Other cash provided (applied)	(14,559,181)	(20,734,488)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(171,359,181)	(170,734,488)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,285,849)	(38,222,719)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	27,408,438	65,631,157
19.2 End of year (Line 18 plus Line 19.1)	25,122,589	27,408,438

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	1,354,232,427	0	155,856	0		0	1,334,673	0	1,167,768,860	0	184,973,039	
2. Considerations for supplementary contracts with life contingencies	0											
3. Net investment income	8,680,040		999				8,555		7,484,889		1,185,597	
4. Amortization of Interest Maintenance Reserve (IMR)	2,611,967		300				2,574		2,252,327		356,766	
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	3,566,533	0	2,772,751	786,570		0	6,588	0	581	0	43	
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0											
8.2 Charges and fees for deposit-type contracts	0											
8.3 Aggregate write-ins for miscellaneous income	323,212	0	5	0	0	0	50	0	272,086	0	51,071	0
9. Totals (Lines 1 to 8.3)	1,369,414,179	0	2,929,911	786,570	0	0	1,352,440	0	1,177,778,743	0	186,566,516	0
10. Death benefits	653,766		157,140				496,626					
11. Matured endowments (excluding guaranteed annual pure endowments)	0											
12. Annuity benefits	0											
13. Disability benefits and benefits under accident and health contracts	966,991,712								843,149,600	0	123,842,112	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	0											
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	0											
18. Payments on supplementary contracts with life contingencies	0											
19. Increase in aggregate reserves for life and accident and health contracts	(7,275,920)		9,172				(4,284)		(6,143,622)		(1,137,186)	
20. Totals (Lines 10 to 19)	960,369,558	0	166,312	0	0	0	492,342	0	837,005,978	0	122,704,926	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	72,601,665	0	1,731,888	66,894		0	185,268	0	54,917,380	0	15,700,235	0
22. Commissions and expense allowances on reinsurance assumed	0	0	0	0		0	0	0	0	0	0	0
23. General insurance expenses	135,215,442		14,875				124,871		115,021,698	0	20,053,999	
24. Insurance taxes, licenses and fees, excluding federal income taxes	96,896,866		16,348				143,896		83,642,141		13,094,482	
25. Increase in loading on deferred and uncollected premiums	0											
26. Net transfers to or (from) Separate Accounts net of reinsurance	0											
27. Aggregate write-ins for deductions	85,200	0	0	0	0	0	1,751	0	72,047	0	11,402	0
28. Totals (Lines 20 to 27)	1,265,168,731	0	1,929,423	66,894	0	0	948,128	0	1,090,659,243	0	171,565,044	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	104,245,448	0	1,000,488	719,676	0	0	404,312	0	87,119,500	0	15,001,472	0
30. Dividends to policyholders	0										0	
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	104,245,448	0	1,000,488	719,676	0	0	404,312	0	87,119,500	0	15,001,472	0
32. Federal income taxes incurred (excluding tax on capital gains)	39,090,502		(523,808)	(19,774)			118,331		33,734,583		5,781,170	
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	65,154,946	0	1,524,296	739,450	0	0	285,981	0	53,384,917	0	9,220,302	0
DETAILS OF WRITE-INS												
08.301. Policyholder Fees	48,260		5				50		40,626		7,579	
08.302. Other Income	274,952								231,460		43,492	
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	323,212	0	5	0	0	0	50	0	272,086	0	51,071	0
2701. Fines and Penalties	85,200						1,751		72,047		11,402	
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	85,200	0	0	0	0	0	1,751	0	72,047	0	11,402	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 , Line 10 , Line 16 , Line 23 , Line 24

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	56,371	0	3,027	0	0	0	53,344	0
2. Tabular net premiums or considerations	3,718,356		306,903				3,411,453	
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	59,347		6,965				52,382	
5. Tabular less actual reserve released	0							
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	3,834,074	0	316,895	0	0	0	3,517,179	0
9. Tabular cost	3,772,815		304,695		XXX		3,468,120	
10. Reserves released by death	0			XXX	XXX			XXX
11. Reserves released by other terminations (net)	0							
12. Annuity, supplementary contract and disability payments involving life contingencies	0							
13. Net transfers to or (from) Separate Accounts	0							
14. Total Deductions (Lines 9 to 13)	3,772,815	0	304,695	0	0	0	3,468,120	0
15. Reserve December 31, current year	61,259	0	12,200	0	0	0	49,059	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....655,004	.....661,083
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....10,099,525	.....9,137,877
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....1,338,301	.....1,338,301
5	Contract loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....551,960	.....547,242
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....(1,865,484)	.....(1,865,484)
9.	Aggregate write-ins for investment income .....	.....(10)	.....(10)
10.	Total gross investment income	10,779,296	9,819,009
11.	Investment expenses		(g) .....904,916
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h) .....36,657
14.	Depreciation on real estate and other invested assets		(i) .....197,395
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....1,138,968
17.	Net investment income (Line 10 minus Line 16)		8,680,041
DETAILS OF WRITE-INS			
0901.	Miscellaneous Income .....	.....(10)	.....(10)
0902.	.....	.....0	.....0
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	.....(10)	.....(10)
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		.....0

- (a) Includes \$99,696 accrual of discount less \$5,983,751 amortization of premium and less \$487,638 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$29,650 accrual of discount less \$206,097 amortization of premium and less \$89,013 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	792,444	0	792,444	0	0
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated)	2,417,796	(239,440)	2,178,356	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans .....	.....	.....0	.....0	.....0	.....0
4.	Real estate .....	.....	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments	675	.....	675	.....	.....
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	3,210,915	(239,440)	2,971,475	0	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	1,786,657		3,431	0	0	0	0	1,372,366	0	410,861	
2. Deferred and accrued	(4,189,944)		0	0	0	0	0	0	0	(4,189,944)	
3. Deferred , accrued and uncollected:											
3.1 Direct	(2,403,287)		3,431	0	0	0	0	1,372,366	0	(3,779,083)	
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net (Line 1 + Line 2)	(2,403,287)	0	3,431	0	0	0	0	1,372,366	0	(3,779,083)	0
4. Advance	7,617,344		507	0	0	0	0	6,368,271	0	1,248,566	
5. Line 3.4 - Line 4	(10,020,630)	0	2,924	0	0	0	0	(4,995,905)	0	(5,027,649)	0
6. Collected during year:											
6.1 Direct	243,926,078		80,730	0	0	1,743	0	180,253,262	0	63,590,343	
6.2 Reinsurance assumed	0										
6.3 Reinsurance ceded	158,429		0	0	0	0	0	180,290	0	(21,861)	
6.4 Net	243,767,649	0	80,730	0	0	1,743	0	180,072,972	0	63,612,204	0
7. Line 5 + Line 6.4	233,747,019	0	83,654	0	0	1,743	0	175,077,067	0	58,584,554	0
8. Prior year (uncollected + deferred and accrued - advance) ..	(6,394,619)	0	0	0	0	0	0	(2,201,666)	0	(4,192,953)	0
9. First year premiums and considerations:											
9.1 Direct	240,300,067		83,654	0	0	1,743	0	177,459,023	0	62,755,647	
9.2 Reinsurance assumed	0										
9.3 Reinsurance ceded	158,429		0	0	0	0	0	180,290	0	(21,861)	
9.4 Net (Line 7 - Line 8)	240,141,638	0	83,654	0	0	1,743	0	177,278,733	0	62,777,508	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	1,013,580		27,410	986,170	0	0	0	0	0	0	
10.2 Reinsurance assumed	0										
10.3 Reinsurance ceded	1,013,580		27,410	986,170	0	0	0	0	0	0	
10.4 Net	0	0	0	0	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected	9,207,582		1,520	0	0	10,406	0	8,234,382	0	961,275	
12. Deferred and accrued	(6,596,384)		0	0	0	0	0	(7,937,907)	0	1,341,524	
13. Deferred, accrued and uncollected:											
13.1 Direct	2,611,198		1,520	0	0	10,406	0	296,474	0	2,302,798	
13.2 Reinsurance assumed	0										
13.3 Reinsurance ceded	0										
13.4 Net (Line 11 + Line 12)	2,611,198	0	1,520	0	0	10,406	0	296,474	0	2,302,798	0
14. Advance	11,511,871		1,061	0	0	12,232	0	9,772,102	0	1,726,475	
15. Line 13.4 - Line 14	(8,900,672)	0	459	0	0	(1,826)	0	(9,475,628)	0	576,323	0
16. Collected during year:											
16.1 Direct	1,138,821,833		29,348,144	1,386,360	0	1,374,931	0	985,157,470	0	121,554,928	
16.2 Reinsurance assumed	0										
16.3 Reinsurance ceded	30,705,904		29,274,995	1,386,360	0	39,959	0	4,255	0	335	
16.4 Net	1,108,115,929	0	73,149	0	0	1,334,971	0	985,153,215	0	121,554,593	0
17. Line 15 + Line 16.4	1,099,215,257	0	73,608	0	0	1,333,145	0	975,677,587	0	122,130,916	0
18. Prior year (uncollected + deferred and accrued - advance) ..	(14,875,532)	0	1,407	0	0	215	0	(14,812,540)	0	(64,614)	0
19. Renewal premiums and considerations:											
19.1 Direct	1,144,796,693		29,347,196	1,386,360	0	1,372,889	0	990,494,383	0	122,195,866	
19.2 Reinsurance assumed	0										
19.3 Reinsurance ceded	30,705,904		29,274,995	1,386,360	0	39,959	0	4,255	0	335	
19.4 Net (Line 17 - Line 18)	1,114,090,789	0	72,202	0	0	1,332,930	0	990,490,127	0	122,195,531	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	1,386,110,340	0	29,458,261	2,372,530	0	1,374,632	0	1,167,953,405	0	184,951,512	0
20.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded	31,877,912	0	29,302,405	2,372,530	0	39,959	0	184,545	0	(21,526)	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	1,354,232,427	0	155,856	0	0	1,334,673	0	1,167,768,860	0	184,973,039	0

EXHIBIT - 1 PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS
AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	0										
22. All other	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	0										
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	3,566,533		2,772,751	786,570		6,588		581		43	
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	3,566,533	0	2,772,751	786,570	0	6,588	0	581	0	43	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	3,566,533	0	2,772,751	786,570	0	6,588	0	581	0	43	0
26.2 Reinsurance assumed (Page 6, Line 22)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	3,566,533	0	2,772,751	786,570	0	6,588	0	581	0	43	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	49,585,161		35,284					38,536,841		11,013,036	
28. Single	0										
29. Renewal	23,016,504		1,696,604	66,894		185,268		16,380,539		4,687,199	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	72,601,665	0	1,731,888	66,894	0	185,268	0	54,917,380	0	15,700,235	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4 All Other Lines of Business		
		2	3			
	Life	Cost Containment	All Other		Investment	Total
1. Rent	3,485	339,003	3,877,558			4,220,046
2. Salaries and wages	59,943	5,830,828	54,220,625			60,111,396
3.11 Contributions for benefit plans for employees	10,125	984,924	9,158,764			10,153,813
3.12 Contributions for benefit plans for agents						0
3.21 Payments to employees under non-funded benefit plans	256	24,923	231,762			256,941
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare	212	20,612	191,674			212,498
3.32 Other agent welfare						0
4.1 Legal fees and expenses	696	67,724	629,764			698,184
4.2 Medical examination fees	4	405	3,770			4,179
4.3 Inspection report fees	3	325	3,020			3,348
4.4 Fees of public accountants and consulting actuaries	240	23,329	216,934			240,503
4.5 Expense of investigation and settlement of policy claims	282	27,415	(135,116)			(107,419)
5.1 Traveling expenses	2,221	216,016	2,008,726			2,226,963
5.2 Advertising	4,793	466,239	4,335,538			4,806,570
5.3 Postage, express, telegraph and telephone	4,703	457,510	4,254,368			4,716,581
5.4 Printing and stationery	1,312	127,580	1,186,360			1,315,252
5.5 Cost or depreciation of furniture and equipment	805	78,334	728,427			807,566
5.6 Rental of equipment	172	16,756	155,811			172,739
5.7 Cost or depreciation of EDP equipment and software	8,891	864,851	8,042,214			8,915,956
6.1 Books and periodicals	70	6,839	63,591			70,500
6.2 Bureau and association fees	126	12,295	114,335			126,756
6.3 Insurance, except on real estate	1,208	117,537	1,092,973			1,211,718
6.4 Miscellaneous losses			194,156			194,156
6.5 Collection and bank service charges	474	46,059	2,627,045			2,673,578
6.6 Sundry general expenses	5,415	526,720	4,937,748			5,469,883
6.7 Group service and administration fees	14,312		1,057,250			1,071,562
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance						0
7.2 Agents' balances charged off (less \$ recovered)						0
7.3 Agency conferences other than local meetings						0
9.1 Real estate expenses					613,122	613,122
9.2 Investment expenses not included elsewhere					291,794	291,794
9.3 Aggregate write-ins for expenses	19,998	5,455,595	20,166,581	0	0	25,642,174
10. General expenses incurred	139,746	15,711,819	119,363,878	0	904,916	(a) 136,120,359
11. General expenses unpaid December 31, prior year		440,774	3,528,901		77,812	4,047,487
12. General expenses unpaid December 31, current year		512,329	3,097,023		74,058	3,683,410
13. Amounts receivable relating to uninsured plans, prior year						0
14. Amounts receivable relating to uninsured plans, current year						0
15. General expenses paid during year (Lines 10+11-12-13+14)	139,746	15,640,264	119,795,756	0	908,670	136,484,436
DETAILS OF WRITE-INS						
09.301. Information Technology	826	80,346	747,123			828,295
09.302. Interest	939		2,925,164			2,926,103
09.303. Managed Care & Network Access	1,686	3,765,705	1,527,074			5,294,465
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	16,547	1,609,544	14,967,220	0	0	16,593,311
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	19,998	5,455,595	20,166,581	0	0	25,642,174

(a) Includes management fees of \$ 119,596,463 to affiliates and \$ 0 to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes	312	286,721			287,033
2. State insurance department licenses and fees	128,737	71,740,800			71,869,537
3. State taxes on premiums	26,156	18,097,442			18,123,598
4. Other state taxes, including \$ for employee benefits		1,976,331			1,976,331
5. U.S. Social Security taxes	5,038	4,635,305			4,640,343
6. All other taxes	0	24			24
7. Taxes, licenses and fees incurred	160,243	96,736,623	0	0	96,896,866
8. Taxes, licenses and fees unpaid December 31, prior year		27,334,179			27,334,179
9. Taxes, licenses and fees unpaid December 31, current year		48,890,684			48,890,684
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	160,243	75,180,118	0	0	75,340,361

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums		
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14		
16. Total from prior year		
17. Total dividends or refunds (Lines 9 + 15 - 16)		
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100001. A/E CRAIG 3% IS	1,053		1,053		0
0100002. A/E CRAIG 3 1/2% NL	930		930		0
0100003. 41 CSO 2 1/2 % NL	4,048		4,048		0
0100004. 41 CSO 3% NL	5		5		0
0100005. 41 CSO 3% CRVM	134,466		134,466		0
0100006. 41 CSO 3 1/2 % CRVM	4,197		4,197		0
0100007. 58 CSO ALB 3% NL	1,518		1,518		0
0100008. 58 CSO ALB 3% CRVM	2,069,097		2,069,097		0
0100009. 58 CSO ANB 3% NL	0		0		0
0100010. 58 CSO ANB 3 1/2% CRVM	61,079		61,079		0
0100011. 58 CSO ALB 3 1/2% CRVM	110,245		110,245		0
0100012. 58 CSO ALB 4 1/2% CRVM	19,395,250		19,395,250		0
0100013. 58 CSO ALB 4 1/2% NL	1,547		1,547		0
0100014. 58 CET ALB 3% NL	351,045		351,045		0
0100015. 58 CET ANB 3 1/2% NL	34,849		34,849		0
0100016. 58 CET ALB 4 1/2% NL	19,973		19,973		0
0100017. 80 CSO CRVM 4.50%	1,013,814,586		1,013,814,586		0
0100018. 80 CSO 4 1/2% CRVM	0		0		0
0100019. 80 CSO CRVM 5.00%	2,249,726		2,249,726		0
0100020. 80 CSO CRVM 5.50%	22,194,656		22,194,656		0
0100021. 130% 41 CSO 3% NL	0		0		0
0100022. 130% 41 CSO 3 1/2% NL	0		0		0
0100023. AM MEN 3% NL	0		0		0
0100024. UNEARNED PREMIUM RESERVE	2,419,008		2,369,949		49,059
0100025. 58 CSO ANB 3 1/2% LOSS ON INT	0		0		0
0100026. GROUP CONVERSIONS	0		0		0
0100027. 58 CSO SUBSTANDARD LIFE	0		0		0
0100028. 60 CSG 3% NL	0		0		0
0100029. 58 CSO ALB 3% NL GIO	0		0		0
0100030. 80 CSO CRVM 4.00%	184,651,181		184,651,181		0
0199997. Totals (Gross)	1,247,518,459	0	1,247,469,400	0	49,059
0199998. Reinsurance ceded	1,247,457,200		1,247,457,200	0	0
0199999. Life Insurance: Totals (Net)	61,259	0	12,200	0	49,059
0200001. 37 STANDARD ANNUITY	0	XXX	0	XXX	0
0200002. 51 GA 3 1/2% PROJ SCALE C	0	XXX	0	XXX	0
0200003. 71 GAM 6%	74,639	XXX	0	XXX	74,639
0200004. 71 IAM 3 1/2%	0	XXX	0	XXX	0
0200005. 71 IAM 4.50%	17,291,519	XXX	17,291,519	XXX	0
0200006. 71 IAM 4.75%	11,270,598	XXX	11,270,598	XXX	0
0200007. 71 IAM 5.00%	7,686,952	XXX	7,686,952	XXX	0
0200008. 71 IAM 5.25%	14,380,392	XXX	14,380,392	XXX	0
0200009. 71 IAM 5.50%	27,934,315	XXX	27,934,315	XXX	0
0200010. 71 IAM 5.75%	15,916,432	XXX	15,916,432	XXX	0
0200011. 71 IAM 6.00%	11,674,914	XXX	11,674,914	XXX	0
0200012. 71 IAM 6.25%	25,104,268	XXX	25,104,268	XXX	0
0200013. 71 IAM 6.50%	6,581,841	XXX	6,581,841	XXX	0
0200014. 71 IAM 6.75%	30,550,300	XXX	30,550,300	XXX	0
0200015. 71 IAM 7.00%	8,005,910	XXX	8,005,910	XXX	0
0200016. 71 IAM 7.25%	5,831,249	XXX	5,831,249	XXX	0
0200017. 71 IAM 8.00%	4,514,296	XXX	4,514,296	XXX	0
0200018. 71 IAM 8.50%	10,722,726	XXX	10,722,726	XXX	0
0200019. 83 IAM 5.25%	9,510,541	XXX	9,510,541	XXX	0
0200020. 83 IAM 5.50%	5,349,269	XXX	5,349,269	XXX	0
0200021. 83 IAM 5.75%	11,696,473	XXX	11,696,473	XXX	0
0200022. 83 IAM 6.00%	2,281,729	XXX	2,281,729	XXX	0
0200023. 83 IAM 6.25%	812,712	XXX	812,712	XXX	0
0200024. A2000 4.50%	69,648,546	XXX	69,648,546	XXX	0
0200025. A2000 4.75%	95,977,213	XXX	95,977,213	XXX	0
0200026. A2000 5.00%	31,452,304	XXX	31,452,304	XXX	0
0200027. A2000 5.50%	28,324,159	XXX	28,324,159	XXX	0
0200028. UNEARNED PREMIUM RESERVE	0	XXX	0	XXX	0
0299997. Totals (Gross)	452,593,297	XXX	452,518,658	XXX	74,639
0299998. Reinsurance ceded	452,593,297	XXX	452,518,658	XXX	74,639
0299999. Annuities: Totals (Net)	0	XXX	0	XXX	0
0300001. 83 IAM 8.25%	0		0		
0300002. 83 IAM 8.00%	0		0		
0300003. 83 IAM 7.75%	0		0		
0300004. 83 IAM 7.25%	0		0		
0300005. 83 IAM 7.00%	304,680		304,680		
0300006. 83 IAM 6.75%	556,549		556,549		
0300007. 83 IAM 6.50%	125,326		125,326		
0300008. 83 IAM 6.25%	91,811		91,811		
0300009. 83 IAM 6.00%	40,090		40,090		
0300010. 83 IAM 5.50%	218,073		218,073		
0300011. 83 IAM 5.25%	229,396		229,396		
0399997. Totals (Gross)	1,565,925	0	1,565,925	0	0
0399998. Reinsurance ceded	1,565,925		1,565,925		
0399999. SCWLC: Totals (Net)	0	0	0	0	0
0400001. 59 ADB WITH 58 CSO 3%	429,268		429,268		
0400002. 52 DB WITH 80 CSO 4 1/2%	0		0		
0499997. Totals (Gross)	429,268	0	429,268	0	0
0499998. Reinsurance ceded	429,268		429,268		
0499999. Accidental Death Benefits: Totals (Net)	0	0	0	0	0
0500001. 52 DB WITH 58 CSO 3%	1,267		1,267		
0500002. 52 DB WITH 80 CSO 4 1/2%	660,700		660,700		
0599997. Totals (Gross)	661,967	0	661,967	0	0
0599998. Reinsurance ceded	661,967		661,967		
0599999. Disability-Active Lives: Totals (Net)	0	0	0	0	0
0600001. 52 DB WITH 58 CSO 3%	248,832		248,832		
0600002. UNREPORTED CLAIMS	0		0		
0600003. 52 DB w/80CSO 4.50%	16,867,858		16,867,858		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0699997. Totals (Gross)	17,116,690	0	17,116,690	0	0
0699998. Reinsurance ceded	17,116,690		17,116,690		
0699999. Disability-Disabled Lives: Totals (Net)	0	0	0	0	0
0700001. Deficiency	1,717,055		1,717,055		
0700002. NDFP	0		0		
0700003. IPC	665,492		665,492		
0799997. Totals (Gross)	2,382,547	0	2,382,547	0	0
0799998. Reinsurance ceded	2,382,547		2,382,547		
0799999. Miscellaneous Reserves: Totals (Net)	0	0	0	0	0
9999999. Totals (Net) - Page 3, Line 1	61,259	0	12,200	0	49,059

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 5 - INTERROGATORIES

1.1

Has the reporting entity ever issued both participating and non-participating contracts?

Yes [X] No []

1.2

If not, state which kind is issued.

2.1

Does the reporting entity at present issue both participating and non-participating contracts?

Yes [] No [X]

2.2

If not, state which kind is issued.

non-participating

3.

Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?

Yes [X] No []

If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

4.

Has the reporting entity any assessment or stipulated premium contracts in force?

Yes [] No [X]

If so, state:

4.1

Amount of insurance?

\$

4.2

Amount of reserve?

\$

4.3

Basis of reserve:

4.4

Basis of regular assessments:

4.5

Basis of special assessments:

4.6

Assessments collected during the year

\$

5.

If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6.

Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?

Yes [] No [X]

6.1

If so, state the amount of reserve on such contracts on the basis actually held:

\$

6.2

That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:

\$

Attach statement of methods employed in their valuation.

7.

Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?

Yes [] No [X]

7.1

If yes, state the total dollar amount of assets covered by these contracts or agreements

\$

7.2

Specify the basis (fair value, amortized cost, etc.) for determining the amount:

7.3

State the amount of reserves established for this business:

\$

7.4

Identify where the reserves are reported in the blank:

8.

Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year?

Yes [] No [X]

8.1

If yes, state the total dollar amount of account value covered by these contracts or agreements:

\$

8.2

State the amount of reserves established for this business:

\$

8.3

Identify where the reserves are reported in the blank:

9.

Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year?

Yes [] No [X]

9.1

If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders:

\$

9.2

State the amount of reserves established for this business:

\$

9.3

Identify where the reserves are reported in the blank:

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1	Valuation Basis		4
	2	3	
Description of Valuation Class	Changed From	Changed To	Increase in Actuarial Reserve Due to Change
NONE			
9999999 - Total (Column 4, only)			

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	52,384,497	44,869,024	0	12	0	1,110,407	0	50,059	6,354,995
2. Additional contract reserves (a)	9,938,760	93,294	0	0	682,444	8,863,269	0	0	299,754
3. Additional actuarial reserves-Asset/Liability analysis	0								
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	4,286,068	0	0	0	0	4,286,068	0	0	0
7. Totals (Gross)	66,609,325	44,962,318	0	12	682,444	14,259,744	0	50,059	6,654,749
8. Reinsurance ceded	682,444	0	0	0	682,444	0	0	0	0
9. Totals (Net)	65,926,881	44,962,318	0	12	0	14,259,744	0	50,059	6,654,749
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	0								
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	2,722,910	2,428,191	0	1	0	42,236	0	0	252,482
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	2,722,910	2,428,191	0	1	0	42,236	0	0	252,482
15. Reinsurance ceded	0								
16. Totals (Net)	2,722,910	2,428,191	0	1	0	42,236	0	0	252,482
17. TOTAL (Net)	68,649,791	47,390,509	0	12	0	14,301,980	0	50,059	6,907,231
18. TABULAR FUND INTEREST	467,445	0	0	0	0	458,909	0	0	8,536
DETAILS OF WRITE-INS									
0601. Risk adjustment payable	4,286,068					4,286,068			
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above)	4,286,068	0	0	0	0	4,286,068	0	0	0
1301.	0								
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	2,528,281	0	57,527	218,571	2,252,183	0
2. Deposits received during the year	81,938				81,938	
3. Investment earnings credited to the account	34,858		6,443	(15,440)	43,855	
4. Other net change in reserves	0					
5. Fees and other charges assessed	0					
6. Surrender charges	0					
7. Net surrender or withdrawal payments	276,387		17,927	57,670	200,790	
8. Other net transfers to or (from) Separate Accounts	0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	2,368,690	0	46,043	145,461	2,177,186	0
10. Reinsurance balance at the beginning of the year	(2,528,281)	0	(57,527)	(218,571)	(2,252,183)	0
11. Net change in reinsurance assumed	0					
12. Net change in reinsurance ceded	(159,591)		(11,484)	(73,110)	(74,997)	
13. Reinsurance balance at the end of the year (Lines 10+11-12)	(2,368,690)	0	(46,043)	(145,461)	(2,177,186)	0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

		1	2	Ordinary			6	Group		Accident and Health		
				3	4	5		7	8	9	10	11
		Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1.	Due and unpaid:											
	1.1 Direct	0										
	1.2 Reinsurance assumed	0										
	1.3 Reinsurance ceded	0										
	1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2.	In course of settlement:											
	2.1 Resisted											
	2.11 Direct	0										
	2.12 Reinsurance assumed	0										
	2.13 Reinsurance ceded	0										
	2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
	2.2 Other											
	2.21 Direct	38,144,973		5,562,296	0	0	0	400,000	0	28,251,136	0	3,931,540
	2.22 Reinsurance assumed	0										
	2.23 Reinsurance ceded	5,572,395		5,562,296	0	0	0	0	0	0	0	10,099
	2.24 Net	32,572,578	0	(b) 0	(b) 0	0	(b) 0	(b) 400,000	0	(b) 28,251,136	(b) 0	(b) 3,921,441
3.	Incurred but unreported:											
	3.1 Direct	130,239,793		1,366,150	0	0	0	142,937	0	113,004,545	0	15,726,161
	3.2 Reinsurance assumed	0										
	3.3 Reinsurance ceded	1,340,126		1,299,730	0	0	0	0	0	0	0	40,396
	3.4 Net	128,899,667	0	(b) 66,421	(b) 0	0	(b) 0	(b) 142,937	0	(b) 113,004,545	(b) 0	(b) 15,685,765
4.	TOTALS											
	4.1 Direct	168,384,766	0	6,928,447	0	0	0	542,937	0	141,255,682	0	19,657,701
	4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
	4.3 Reinsurance ceded	6,912,521	0	6,862,026	0	0	0	0	0	0	0	50,495
	4.4 Net	161,472,245	(a) 0	(a) 66,421	0	0	0	(a) 542,937	0	141,255,682	0	19,607,206

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ _____ in Column 2, \$ _____ in Column 3 and \$ _____ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ _____

Individual Annuities \$ _____, Credit Life (Group and Individual) \$ _____, and Group Life \$ _____, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ _____2,428,229

Credit (Group and Individual) Accident and Health \$ _____, and Other Accident and Health \$ _____294,680 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	1,069,422,234		68,793,049	25,615,936	0	0	552,271	0	844,825,091	0	129,635,887
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	97,014,409		68,643,049	25,615,936	0	0	25,000	0	0	0	2,730,425
1.4 Net	(d) 972,407,825	0	150,000	0	0	0	527,271	0	844,825,091	0	126,905,462
2. Liability December 31, current year from Part 1:											
2.1 Direct	168,384,766	0	6,928,447	0	0	0	542,937	0	141,255,682	0	19,657,701
2.2 Reinsurance assumed	0										
2.3 Reinsurance ceded	6,912,521	0	6,862,026	0	0	0	0	0	0	0	50,495
2.4 Net	161,472,245	0	66,421	0	0	0	542,937	0	141,255,682	0	19,607,206
3. Amounts recoverable from reinsurers December 31, current year	1,372,863		0	0	0	0	0	0	0	0	1,372,863
4. Liability December 31, prior year:											
4.1 Direct	175,557,351	0	7,770,035	0	0	0	714,383	0	143,006,951	0	24,065,982
4.2 Reinsurance assumed	0										
4.3 Reinsurance ceded	8,420,229	0	7,710,754	0	0	0	140,802	0	75,778	0	492,895
4.4 Net	167,137,122	0	59,280	0	0	0	573,581	0	142,931,173	0	23,573,087
5. Amounts recoverable from reinsurers December 31, prior year	2,275,394										2,275,394
6. Incurred Benefits											
6.1 Direct	1,062,249,650	0	67,951,461	25,615,936	0	0	380,825	0	843,073,822	0	125,227,606
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	94,604,171	0	67,794,320	25,615,936	0	0	(115,802)	0	(75,778)	0	1,385,494
6.4 Net	967,645,479	0	157,141	0	0	0	496,626	0	843,149,600	0	123,842,112

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1, and \$ in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1, and \$ in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1, and \$ in Line 6.4.

(d) Includes \$ premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,928	7,882	5,954
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	7,292,490	6,686,642	(605,848)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	2,993,196	2,433,475	(559,721)
25. Aggregate write-ins for other than invested assets	8,932,170	5,001,871	(3,930,298)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	19,219,784	14,129,870	(5,089,913)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	19,219,784	14,129,870	(5,089,913)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Advances & Prepaids	8,915,033	5,001,871	(3,913,162)
2502. Miscellaneous Receivables	17,137	0	(17,137)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	8,932,170	5,001,871	(3,930,298)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

Golden Rule Insurance Company (the “Company”), licensed as a life, accident, and health insurer, is domiciled in the State of Indiana. The Company is a wholly owned subsidiary of Golden Rule Financial Corporation (GRFC) and its ultimate parent company is UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on June 17, 1959 as a life, accident, and health insurer, and operations commenced on June 23, 1961. The Company is licensed to sell life and accident and health insurance in all states except New York. The Company’s accident and health revenues are primarily derived from the sale of individual major medical policies and short-term medical policies. The Company’s life and annuity revenues are primarily derived from term life, whole life, single premium and flexible premium annuities, and long-term care investment products. Effective October 1, 2005, the Company entered into an indemnity reinsurance agreement to reinsure all life and annuity business, excluding group life and term life rider business.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed and permitted by the State of Indiana Department of Insurance (the “Department”).

The Department recognizes only statutory accounting practices, prescribed and permitted by the State of Indiana, for determining and reporting the financial condition and results of operations of a life, accident, and health insurer, for determining its solvency under Indiana Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed and permitted by the State of Indiana and those prescribed and permitted by the NAIC SAP, which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	SSAP #	F/S Page #	F/S Line #	2016	2015
Net Income (Loss)					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ 65,218,217	\$ 106,832,042
(2) State prescribed practices that increase/(decrease) NAIC SAP: NONE				-	-
				-	-
				-	-
(3) State permitted practices that increase/(decrease) NAIC SAP: NONE				-	-
				-	-
				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	\$ 65,218,217	\$ 106,832,042
Capital and Surplus					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 170,050,413	\$ 268,026,494
(6) State prescribed practices that increase/(decrease) NAIC SAP: NONE				-	-
				-	-
				-	-
(7) State permitted practices that increase/(decrease) NAIC SAP: NONE				-	-
				-	-
				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	\$ 170,050,413	\$ 268,026,494

B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to aggregate reserve for life contracts, aggregate reserve for accident and health contracts, contract claims - life and contract claims - accident and health, disability benefits and benefits under accident and health insurance contracts – net and provision for experience rating refunds. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed and permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1–2) Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one through five and stated at the lower of amortized cost or fair value if they meet an NAIC designation of six. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office of the NAIC ("SVO") in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;
- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships or limited liability companies other than the investment in low-income housing tax credits (see Note 5G);
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate reserve for accident and health contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and, therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase (decrease) in aggregate reserves for life and accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (the "Agreement") (see Note 10), the Company pays a management fee to its affiliate, United HealthCare Services, Inc. ("UHS"), in exchange for administrative and

management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general insurance expenses to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2016, is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;

- (12) Maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the period incurred and included in general administrative expenses in the statutory basis statements of operations. The Company has not modified its capitalization policy from the prior period.

Properties Occupied by the Company, Properties Held for the Production of Income, Properties Held for Sale, Furniture and Equipment, and Electronic Data Processing Equipment and Software—

The Company has no properties held for the production of income, properties held for sale, furniture and equipment or electronic data processing equipment and software.

The amounts reported for properties occupied by the Company, net of encumbrances, is stated at cost less accumulated depreciation. The Company provides for depreciation using the straight-line method over the estimated useful lives of the assets, which is 39 years for properties occupied by the Company, excluding land.

Depreciation expense of \$197,156 and \$307,347 is included in net investment income in the statutory basis statements of operations for the years ended December 31, 2016 and 2015, respectively.

The components of properties occupied by the Company at December 31, 2016 and 2015, are as follows:

	2016	2015
<u>Properties Occupied by the Company</u>		
Land, buildings, and improvements	\$ 7,937,483	\$ 7,937,483
Less accumulated depreciation	<u>(5,251,627)</u>	<u>(5,054,232)</u>
Gross properties occupied by the Company	2,685,856	2,883,251
Less nonadmitted land, buildings, and improvements	<u>-</u>	<u>-</u>
Net admitted properties occupied by the Company	<u><u>\$ 2,685,856</u></u>	<u><u>\$ 2,883,251</u></u>

- (13) Health care receivables consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care receivables are considered nonadmitted assets under NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of amortized cost or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or amortized cost, respectively;

- Cash, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in operating accounts. Claims and other payments are made from the operating accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims and other payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents represent corporate debt securities. Cash equivalents have original maturity dates of three months or less from the date of acquisition and are reported at cost or amortized cost depending on the nature of the underlying security, which approximates fair value;
- Short-term investments represent money-market funds, corporate debt securities, and U.S. government and agency securities with a maturity of greater than three months, but less than one year at the time of purchase. Short-term investments also consist of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or amortized cost depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses, except for those transferred to the Interest Maintenance Reserve ("IMR"), are reported as net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) in the statutory basis statements of operations. Transfers to the IMR are net of federal income taxes;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment ("OTTI") of \$239,440 and \$7 for the years ended December 31, 2016 and 2015, respectively.
- The statutory basis statements of cash flows reconcile cash, cash equivalents, and short-term investments with original maturities of one year or less from the time of acquisition; whereas under GAAP, the statements of cash flows reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.
- **Other Invested Assets** — Other invested assets include low income housing tax credit investments which are stated at amortized cost, which approximates fair value in the statutory basis statements of admitted assets, liabilities and capital and surplus.
- **Receivables for Securities** — The Company reports receivables for securities when investments are sold at the end of an accounting period and proceeds are received in a subsequent month in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Any receivables for securities not received within 15 days from the settlement date are nonadmitted.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Uncollected Premiums** — The Company reports uncollected premium balances from its insured members as uncollected premiums in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Uncollected premiums and considerations also include risk adjustment receivables, as defined in Section 1343 of the Affordable Care Act (“ACA”). Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. A risk adjustment receivable is recorded when the Company estimates its average actuarial risk score for policies included in this program is greater than the average actuarial risk scores in that market and state risk pool;

Premium adjustments for the ACA Section 1343 risk adjustment program are accounted for as premium adjustments subject to redetermination (see Note 24).

- **Net Deferred Tax Asset** — NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.
- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company’s allocated intercompany estimated payments are more than its actual calculated obligation based on the Company’s stand-alone federal income tax return (see Note 9).
- **Receivables from Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due as receivables from parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **State Income Tax Recoverable** — State income tax recoverable represents amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a statute regulation or statute.

LIABILITIES

- **Aggregate Reserve and Contract Claims for Life and Accident and Health Contracts** — The reserves for disability, accidental death, and life insurance are developed by actuarial methods and are determined based on published tables, using interest rates less than or equal to statutorily prescribed interest rates, and valuation methods that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed cash values or the amounts required by the Department. Tabular interest, tabular less actual reserve released, tabular cost, and tabular interest on funds not involving life contingencies are determined by a formula in accordance with the State of Indiana statutes. Contract claims reserves include claims processed but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of health care services enrollees have received, but for which claims have not yet been submitted.

The estimates for aggregate reserves and incurred but not reported contract claims are developed using actuarial methods based upon historical data for payment patterns, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the years ended December 31, 2016 and 2015. Adjustments to estimates for aggregate reserve for life and accident and health contracts are reflected in operating results in the period in which the change in estimate is identified.

Aggregate reserves are based on mortality and interest assumptions prescribed and permitted by state statutes without consideration of withdrawals. Statutory reserves may differ from reserves based on the Company's estimates of mortality, interest, and withdrawals; receivables on unpaid claims for coinsurance contracts are netted against contract claims for life and accident and health in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, the receivables would be presented as assets.

Aggregate reserve and contract claims for life and accident and health contracts also include risk adjustment payables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is less than the average actuarial risk scores in that market and state risk pool (see Note 24).

The reserves ceded to reinsurers for aggregate reserve for life contracts, aggregate reserve for accident and health contracts, and contract claims for life and accident and health have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

- **Unearned Premiums** — The unexpired portion of accident and health insurance premiums received is reported as part of aggregate reserve for accident and health contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Deposit-Type Contracts** — Consideration for annuities and other deposit-type contracts that do not involve any mortality or morbidity risks are recorded as liability for deposit-type contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Revenues for these contracts include fees charged to policyholders and investment income in the statutory basis statements of operations.
- **Premiums for Life and Accident and Health Contracts Received in Advance** — Premiums received in full during the current period that are not due until future periods are recorded as premiums for life and accident and health contracts received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Provision for Experience Rating Refunds** — The Company establishes a liability, net of ceded reinsurance, for estimated premium refunds on experience rated contracts based on actuarial methods and assumptions and minimum loss ratio requirements. The liability also includes the estimated rebates payable on the comprehensive commercial health products if the medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually. Estimated accrued retrospective premiums due from the Company are recorded in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Interest Maintenance Reserve and Asset Valuation Reserve** — The Company maintains an IMR and an asset valuation reserve ("AVR"). The IMR is designed to defer recognition of realized capital gains and losses, due to interest rate changes on fixed-income investments, and to amortize those gains and losses into future investment income over the remaining life of the investments sold. To the extent the deferral of capital losses results in a net asset, such amount will be nonadmitted and excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus. The AVR is designed to address the default and equity risk on the majority of the Company's invested assets. The principal function of the AVR is to reserve for credit losses on fixed-income securities carried at amortized values and for fluctuation in statutory capital and surplus resulting from realized gains and losses and changes in unrealized gains and losses.

The IMR is determined based on a formula prescribed by the NAIC whereby the Company defers the portion of realized capital gains and losses on sales of fixed-income investments, principally bonds, attributable to changes in the general level of interest rates and amortizes these deferrals over the remaining period to maturity based on groupings of individual securities sold in five year bands, rather than recognize the realized gains and losses currently. Further, the AVR is determined by the NAIC-prescribed formulas and is reported as a liability rather than as a valuation allowance or appropriation of unassigned

surplus in the statutory basis financial statements. Under GAAP, realized capital gains and losses are reported in the statements of operations on a pre-tax basis in the period that the asset giving rise to the gain or loss is sold and calculation of allowances are provided where there has been a decline in value deemed other-than-temporary, in which case, the provision for such decline is charged to earnings.

- **Commissions to Agents Due or Accrued** — Commissions that are due as of the reporting date that have been incurred but not yet paid are reported as commissions to agents due or accrued in the statutory basis statement of admitted assets, liabilities, and capital and surplus.
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Taxes, Licenses, and Fees Due or Accrued, Excluding Federal Income Taxes (“TL&F”)** — TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. TL&F is recognized when incurred. Taxes, licenses and fees that are due as of the reporting date in addition to taxes, licenses, and fees that have been incurred but are not due until a subsequent period are reported as TL&F in the statutory basis statements of admitted assets, liabilities, and capital and surplus. TL&F also include the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).
- **Net Deferred Tax Liability** — NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax basis of liabilities. In addition, under NAIC SAP, the change in deferred tax liabilities is recorded directly to unassigned surplus, whereas under GAAP, the change in deferred tax liabilities is recorded as a component of the income tax provision within the income statement.
- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.
- **Payable to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts payable to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Drafts Outstanding** — Drafts outstanding represent a legal offer to settle outstanding claims with the claimant.
- **Payable for Securities** — The Company reports payable for securities when investments are traded at the end of an accounting period for which the settlement does not occur until the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care receivables, certain deferred tax assets, and prepaid expenses, are considered nonadmitted assets under NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$4,381,731 and \$4,420,925 as of December 31, 2016 and 2015, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at amortized cost, which approximates fair value. These restricted deposits are included in bonds and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Indiana, the Department requires the Company to maintain a minimum capital and surplus equal to \$450,000. The Company has \$170,050,413 and \$268,026,494 in total statutory basis capital and surplus as of December 31, 2016 and 2015, respectively, which is in compliance with the required amount.

Risk-based capital (“RBC”) is a regulatory tool for measuring the minimum amount of capital appropriate for a life, accident and health organization to support its overall business operations in consideration of its size and risk profile. The Department requires

the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

- **Section 9010 ACA Subsequent Fee Year Assessment** — In 2016 and 2015, the Company is subject to the Section 9010 ACA Health Insurer Fee (“HIF”). In accordance with the 2017 HIF moratorium, no HIF will be payable in 2017 and therefore the 2016 statutory basis statements of admitted assets, liabilities, and capital and surplus will have no amounts apportioned out of unassigned funds representing an estimate of the 2017 HIF. In 2015, under NAIC SAP, an amount equal to the estimated subsequent year fee was apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required.

STATEMENTS OF OPERATIONS

- **Premiums for Life and Accident and Health Contracts — Net** — Premiums for life and accident and health contracts—net are recognized in the period in which enrollees are entitled to receive services and are shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations. The corresponding change in unearned premium from year to year is reflected as a decrease in aggregate reserves for life and accident and health contracts in the statutory basis statements of operations. Under GAAP, the change in unearned premium from year to year on the accident and health insurance premiums is reported through premium income.

Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as premiums for life and accident and health contracts—net in the statutory basis statements of operations.

Pursuant to Section 1342 and Section 1343 of the ACA, the Company records premium adjustments for changes to the risk corridor and risk adjustment balances which are reflected in premiums for life and accident and health contracts—net in the statutory basis statements of operations.

Premium receipts and benefits on universal life-type contracts are recorded as premiums for life and accident and health contracts and death benefits—net within the statutory basis statements of operations. Under GAAP, revenues on universal life-type contracts are comprised of contract charges and fees, which are recognized when assessed against the policyholder account balance. Additionally, premium receipts on universal life-type contracts are considered deposits and are recorded as interest-bearing liabilities, while benefits are recognized as expenses in excess of the policyholder account balance.

- **Net Investment Income** — Net investment income includes investment income collected during the period, as well as the change in investment income due and accrued on the Company’s holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income (see Note 7).
- **Commissions and Expense Allowances on Reinsurance Ceded** — Commissions and expense allowances on reinsurance ceded primarily represents the amortization of the ceding commission on the sale of the life and annuity business in 2005. Commissions and expense allowances on reinsurance ceded are included in commissions and expense allowances on reinsurance ceded in the statutory basis statements of operations.
- **Miscellaneous Income** — Miscellaneous income consists primarily of fees received for the administration of health contracts.
- **Death Benefits, Disability Benefits and Benefits under Accident and Health Contracts, and Increase in Aggregate Reserves for Life and Accident and Health Contracts** — Death benefits and changes in aggregate reserves for life contracts includes life claims paid, life claims processed but not yet paid, estimates for life claims received but not yet processed, estimates for life claims where the death has occurred but for which a claim has not been submitted and changes in contract and policy reserves. Disability benefits and benefits under accident and health contracts and changes in aggregate reserves for accident and health contracts include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, payments and liabilities for physician, hospital, and other medical costs disputes, estimates for payments not yet due on incurred claims and changes in contract and policy reserves.

- **Commissions on Premiums** — Commissions on premiums represent commission expense for external brokers and agents. Expense is recorded when incurred based upon the contract period.
- **General Insurance Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between claims adjustment expenses and general insurance expenses to be reported in the statutory basis statements of operations.
- **Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes (“Insurance TL&F”)** — Insurance TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. Insurance TL&F is recognized when incurred. The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity’s annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014, which is nondeductible for tax purposes. Under NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in insurance taxes, licenses and fees, excluding federal income taxes in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.
- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 35% to net gain from operations before federal income taxes and net realized capital gains (losses) subject to certain adjustments (see Note 9).
- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

REINSURANCE

- **Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from premiums for life and accident and health contracts—net in the statutory basis statements of operations. Any amounts due to the Company pursuant to these agreements are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).
- **Other Amounts Receivable Under Reinsurance Contracts** — Other amounts receivable under reinsurance contracts includes a receivable from The State Life Insurance Company for premium taxes due on the life and annuity business ceded under a 100% indemnity reinsurance contract (see Note 23).
- **Section 1341 ACA Transitional Reinsurance** — The Company has established receivables of \$1,372,863 and \$2,275,394, liabilities of \$98,332 and \$180,290 and ceded reserves of \$50,495 and \$486,685 as of December 31, 2016 and 2015, respectively, pursuant to Section 1341 of the ACA which are included in amounts recoverable from reinsurers, other amounts payable on reinsurance and contract claims – accident and health, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program is designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations (see Note 24).

OTHER

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company’s existing products in new markets and offerings of new products, both of which may restrict the Company’s ability to expand its business. The Company believes it has mitigated exposure from concentrations through the diversity of its distribution channels. While the product distribution and distribution channels are diversified, the Company may have some exposure due to geographic concentrations of individual health business. The Company’s three largest states by premium collected are Florida, Texas and Arizona with a combined 34% and 33% of the accident and health premium in 2016 and 2015, respectively. As with all lines of business, this business is subject to normal claims fluctuations and environmental issues.

The Company has no customers that individually exceed 10% of total direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination,, for the years ended December 31, 2016 and 2015.

Recently Issued Accounting Standards — The Company reviewed all recently issued guidance in 2016 and 2015 that has been adopted for 2016 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles or correction of errors have been recorded during the years ended December 31, 2016 and 2015.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2016 and 2015, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

A. Discontinued Operation Disposed of or Classified as Held for Sale

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2016 and 2015.

B. Change in Plan of Sale of Discontinued Operation — Not applicable.

C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.

D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$3,662,312 and \$452,072, respectively, for 2016 and \$4,740,625 and \$634,390, respectively, for 2015. The gross realized gains and losses on sales of short-term investments were \$1,249 and \$574, respectively, for 2016. There were no realized gains or losses on sales of short-term investments for 2015. The net realized gain is included in net realized capital gains (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$223,999,593 and \$189,097,050 and for short-term investments were \$1,521,862,858 and \$1,487,753,819 in 2016 and 2015, respectively.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

As of December 31, 2016 and 2015, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash (overdrafts) and cash equivalents of \$3,161,741 and \$(2,842,617), respectively, are as follows:

2016					
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	\$ 80,828,914	\$ 745,097	\$ 2,332,527	\$ 31,697	\$ 79,209,787
State and agency municipal securities	100,695,885	555,284	805,161	-	100,446,008
City and county municipal securities	70,785,687	330,269	941,414	-	70,174,542
Corporate debt securities (includes commercial paper)	122,725,941	267,006	761,903	10,663	122,220,381
Money-market funds	8,419,562	-	-	-	8,419,562
Other invested assets	15,422,449	-	-	-	15,422,449
Total bonds, short-term investments, and other invested assets	<u>\$ 398,878,438</u>	<u>\$ 1,897,656</u>	<u>\$ 4,841,005</u>	<u>\$ 42,360</u>	<u>\$ 395,892,729</u>

2016					
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
Less than one year	\$ 58,360,224	\$ 75,769	\$ 14,823	\$ 2	\$ 58,421,168
One to five years	179,091,221	980,183	826,169	10,645	179,234,590
Five to ten years	120,509,605	383,497	3,234,103	4,618	117,654,381
Over ten years	40,917,388	458,207	765,910	27,095	40,582,590
Total bonds, short-term investments, and other invested assets	<u>\$ 398,878,438</u>	<u>\$ 1,897,656</u>	<u>\$ 4,841,005</u>	<u>\$ 42,360</u>	<u>\$ 395,892,729</u>

2015					
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	\$ 89,436,052	\$ 978,425	\$ 459,805	\$ 103,519	\$ 89,851,153
State and agency municipal securities	115,835,037	2,122,414	57,372	-	117,900,079
City and county municipal securities	92,250,712	2,245,478	-	-	94,496,190
Corporate debt securities (includes commercial paper)	204,395,836	390,900	2,340,298	850,185	201,596,253
Money-market funds	8,428,388	-	-	-	8,428,388
Other invested assets	17,287,933	-	-	-	17,287,933
Total bonds, short-term investments, and other invested assets	<u>\$ 527,633,958</u>	<u>\$ 5,737,217</u>	<u>\$ 2,857,475</u>	<u>\$ 953,704</u>	<u>\$ 529,559,996</u>

Included in U.S. government and agency securities and corporate debt securities in the tables above are loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at an amortized cost of \$35,834,784 and fair value of \$35,370,841.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2016 and 2015:

	2016					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	\$ 68,147,659	\$(2,332,527)	\$ 857,617	\$(31,697)	\$ 69,005,276	\$(2,364,224)
State and agency municipal securities	55,798,196	(805,161)	-	-	55,798,196	(805,161)
City and county municipalities	30,283,363	(941,414)	-	-	30,283,363	(941,414)
Corporate debt securities (includes commercial paper)	57,106,534	(761,903)	1,961,221	(10,663)	59,067,755	(772,566)
Total bonds and short-term investments	<u>\$ 211,335,752</u>	<u>\$(4,841,005)</u>	<u>\$ 2,818,838</u>	<u>\$(42,360)</u>	<u>\$ 214,154,590</u>	<u>\$(4,883,365)</u>

	2015					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	\$ 68,842,752	\$(459,805)	\$ 3,435,756	\$(103,519)	\$ 72,278,508	\$(563,324)
State and agency municipal securities	11,397,676	(57,372)	-	-	11,397,676	(57,372)
Corporate debt securities (includes commercial paper)	149,242,110	(2,340,298)	11,988,693	(850,185)	161,230,803	(3,190,483)
Total bonds and short-term investments	<u>\$ 229,482,538</u>	<u>\$(2,857,475)</u>	<u>\$ 15,424,449</u>	<u>\$(953,704)</u>	<u>\$ 244,906,987</u>	<u>\$(3,811,179)</u>

The unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipalities, and corporate debt securities at December 31, 2016 and 2015, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, local agency, and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded OTTI's of \$239,440 and \$7 as of December 31, 2016 and 2015, respectively, which are included in net realized capital gains (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations.

Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) net of federal income taxes incurred (benefit) and amounts transferred to the IMR as of December 31, 2016 and 2015, are as follows:

	2016	2015
Realized capital gains (losses) —net of related taxes of \$1,069,871 and \$1,439,906 in 2016 and 2015, respectively	\$ 1,901,605	\$ 2,666,322
Less amount transferred to IMR—net of related taxes of \$989,872 and \$1,437,180 in 2016 and 2015, respectively	<u>(1,838,334)</u>	<u>(2,669,048)</u>
Net realized capital gains (losses) —net of tax and amounts transferred to IMR	<u>\$ 63,271</u>	<u>\$ (2,726)</u>

A–C. The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale

D. Loan-Backed Securities

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

- (2) The Company did not recognize any OTTI's on loan-backed securities as of December 31, 2016 and 2015.
- (3) The Company did not have any loan-backed securities with an OTTI to report by CUSIP as of December 31, 2016 or 2015.
- (4) The following table illustrates the fair value, gross unrealized losses, and length of time that the loan-backed securities have been in a continuous unrealized loss position as of December 31, 2016 and 2015:

	2016
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 698,099
2. 12 months or longer	33,335
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	38,625,810
2. 12 months or longer	1,749,098
	2015
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 503,162
2. 12 months or longer	136,920
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	89,033,994
2. 12 months or longer	7,520,017

- (5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2016 and 2015 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

- E. Repurchase Agreements and/or Securities Lending Transactions — Not applicable.
- F. Real Estate — Not applicable.
- G. Low-Income Housing Tax Credits —

- (1–7) Low-income housing investments of \$15,422,449 and \$17,287,933 as of December 31, 2016 and 2015, respectively, are included in other invested assets in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company also has a corresponding liability of \$2,421,604 as of December 31, 2016 and 2015 which represents the future capital contributions that will be required as long as the asset is performing based on the agreed upon terms. The number of remaining years of unexpired tax credits is seven, and the required holding period for the low-income housing investments is thirteen. The low-income housing investments are not currently subject to any regulatory reviews. The Company did not recognize any impairment losses, write-downs, or reclassifications during 2016 or 2015.

H. Restricted Assets —

(1) Restricted assets, including pledged securities as of December 31, 2016 and 2015, are presented below:

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted Current Year					Percentage					
	1	2	3	4	5	6	7	8	9	10	11
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 Plus 3)	Total from Prior Year	Increase/ (Decrease) (5 Minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
j. On deposit with states	4,381,731	-	-	-	4,381,731	4,420,925	(39,194)	-	4,381,731	0.8%	0.9%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0 %	0 %
o. Total restricted assets	<u>\$ 4,381,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,381,731</u>	<u>\$ 4,420,925</u>	<u>\$ (39,194)</u>	<u>\$ -</u>	<u>\$ 4,381,731</u>	<u>0.8 %</u>	<u>0.9 %</u>
^(a) Subset of column 1											
^(b) Subset of column 3											
^(c) Column 5 divided by Asset Page, Column 1, Line 28											
^(d) Column 9 divided by Asset Page, Column 3, Line 28											

(2–3) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2016 or 2015.

(4) The Company has no collateral received and reflected as assets as of December 31, 2016 and 2015.

I. Working Capital Finance Investments — Not applicable.

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

K. Structured Notes

The Company does not have any structured notes.

L. 5* Securities

The Company does not have any investments with an NAIC designation of 5* as of December 31, 2016 and 2015.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

- A. The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2016 and 2015, are as follows:

	2016			2015			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Gross deferred tax assets	\$ 21,836,420	\$ 31,017	\$ 21,867,437	\$ 21,709,154	\$ 34,690	\$ 21,743,844	\$ 127,266	\$ (3,673)	\$ 123,593
(b) Statutory valuation allowance adjustments	-	31,017	31,017	-	34,690	34,690	-	(3,673)	(3,673)
(c) Adjusted gross deferred tax assets (1a - 1b)	21,836,420	-	21,836,420	21,709,154	-	21,709,154	127,266	-	127,266
(d) Deferred tax assets nonadmitted	7,292,490	-	7,292,490	6,686,642	-	6,686,642	605,848	-	605,848
(e) Subtotal net admitted deferred tax asset (1c - 1d)	14,543,930	-	14,543,930	15,022,512	-	15,022,512	(478,582)	-	(478,582)
(f) Deferred tax liabilities	820,293	-	820,293	591,907	-	591,907	228,386	-	228,386
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 13,723,637	\$ -	\$ 13,723,637	\$ 14,430,605	\$ -	\$ 14,430,605	\$ (706,968)	\$ -	\$ (706,968)

(2) The components of the adjusted gross deferred tax assets admissibility calculation under Statements of Statutory Accounting Principles (“SSAP”) No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

Admission Calculation Components SSAP No. 101	2016			2015			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 11,733,754	\$ -	\$ 11,733,754	\$ 12,566,554	\$ -	\$ 12,566,554	\$ (832,800)	\$ -	\$ (832,800)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	1,989,883	-	1,989,883	1,864,052	-	1,864,052	125,831	-	125,831
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,989,883	-	1,989,883	1,864,052	-	1,864,052	125,831	-	125,831
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	23,674,248	XXX	XXX	38,039,383	XXX	XXX	(14,365,135)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	820,293	-	820,293	591,907	-	591,907	228,386	-	228,386
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total (2(a) + 2(b) + 2(c))	\$ 14,543,930	\$ -	\$ 14,543,930	\$ 15,022,513	\$ -	\$ 15,022,513	\$ (478,583)	\$ -	\$ (478,583)

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2016	2015
(a) Ratio percentage used to determine recovery period and threshold limitation amount	328 %	495 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 157,828,321	\$ 253,595,889

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2016 and 2015, is presented below:

Impact of Tax-Planning Strategies	2016		2015		Change	
	1	2	3	4	5	6
	Ordinary	Total	Ordinary	Total	(Col 1 - 3) Ordinary	(Col 2 - 4) Total
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 21,836,420	\$ 21,836,420	\$ 21,709,154	\$ 21,709,154	\$ 127,266	\$ 127,266
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 14,543,930	\$ 14,543,930	\$ 15,022,512	\$ 15,022,512	\$ (478,582)	\$ (478,582)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2016 and 2015.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2016 and 2015, are as follows:

	1	2	3
	2016	2015	(Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 39,090,502	\$ 68,726,657	\$ (29,636,155)
(b) Foreign	-	-	-
(c) Subtotal	39,090,502	68,726,657	(29,636,155)
(d) Federal income tax on net capital gains	1,069,871	1,439,906	(370,035)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	\$ 40,160,373	\$ 70,166,563	\$ (30,006,190)

(2–4) The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2016 and 2015, are as follows:

	1	2	3
	2016	2015	(Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 685,877	\$ 789,846	\$ (103,969)
(2) Unearned premium reserve	5,005,958	5,335,343	(329,385)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	13,621,361	12,315,901	1,305,460
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	1,054,292	858,200	196,092
(11) Net operating loss carry forward	-	-	-
(12) Tax credit carry forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	<u>1,468,932</u>	<u>2,409,864</u>	<u>(940,932)</u>
(99) Subtotal	21,836,420	21,709,154	127,266
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	<u>7,292,490</u>	<u>6,686,642</u>	<u>605,848</u>
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	<u>14,543,930</u>	<u>15,022,512</u>	<u>(478,582)</u>
(e) Capital:			
(1) Investments	31,017	34,690	(3,673)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	<u>-</u>	<u>-</u>	<u>-</u>
(99) Subtotal	31,017	34,690	(3,673)
(f) Statutory valuation allowance adjustment	31,017	34,690	(3,673)
(g) Nonadmitted	<u>-</u>	<u>-</u>	<u>-</u>
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	<u>-</u>	<u>-</u>	<u>-</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>14,543,930</u>	<u>15,022,512</u>	<u>(478,582)</u>
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	22,899	22,948	(49)
(2) Fixed assets	479,705	348,217	131,488
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	<u>317,689</u>	<u>220,742</u>	<u>96,947</u>
(99) Subtotal	<u>820,293</u>	<u>591,907</u>	<u>228,386</u>
(b) Capital:			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	<u>-</u>	<u>-</u>	<u>-</u>
(99) Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>820,293</u>	<u>591,907</u>	<u>228,386</u>
4 Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 13,723,637</u>	<u>\$ 14,430,605</u>	<u>\$ (706,968)</u>

The other ordinary deferred tax asset of \$1,468,932 for 2016 consists of general expenses due and accrued of \$541,588 and other items of \$927,344. The other ordinary deferred tax asset of \$2,409,864 for 2015 consists of general expenses due and accrued of \$1,308,376, bad debt of \$397,250, and venture capital of \$704.238.

The other ordinary deferred tax liabilities of \$317,689 and \$220,742 for 2016 and 2015, respectively, consist of venture capital.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$31,017 and \$34,690 to reduce the gross deferred tax asset to \$21,836,420 and \$21,709,154 as of December 31, 2016 and 2015, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes incurred, plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2016 and 2015 is as follows:

	2016		2015	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	\$ 36,485,907	35.0%	\$ 61,446,499	35.0%
Capital gains	<u>1,040,017</u>	<u>1.0%</u>	<u>1,437,180</u>	<u>0.8%</u>
Total income tax	37,525,924	36.0%	62,883,679	35.8%
Tax-exempt interest	(1,144,418)	-1.1%	(1,617,253)	-0.9%
Other current year items	(1,543,905)	-1.5%	(1,580,757)	-0.9%
Health insurer fee	9,106,501	8.7%	12,047,693	6.9%
Tax effect of nonadmitted assets	(1,569,423)	-1.5%	(241,417)	-0.1%
Change in statutory valuation allowance	(3,673)	0.0%	(31,203)	0.0%
Foreign income tax true up	114	0.0%	-	0.0%
Current year tax credit	<u>(2,109,627)</u>	<u>-2.0%</u>	<u>(2,031,688)</u>	<u>-1.2%</u>
Total statutory income taxes	<u>\$ 40,261,493</u>	<u>38.6%</u>	<u>\$ 69,429,054</u>	<u>39.6%</u>
Federal income taxes incurred	\$ 39,090,502	37.5%	\$ 68,726,657	39.2%
Capital gains tax	1,069,871	1.0%	1,439,906	0.8%
Change in net deferred tax asset	<u>101,120</u>	<u>0.1%</u>	<u>(737,509)</u>	<u>-0.4%</u>
Total statutory income taxes	<u>\$ 40,261,493</u>	<u>38.6%</u>	<u>\$ 69,429,054</u>	<u>39.6%</u>

- E. At December 31, 2016, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of \$34,917,379 and \$19,514,722 as of December 31, 2016 and 2015, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds, were \$55,563,030 and \$85,688,548 in 2016 and 2015, respectively.

Federal income taxes incurred of \$40,158,620 and \$70,177,030 for 2016 and 2015, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2015 and prior. UnitedHealth Group's 2016 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2010 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

- G. **Tax Contingencies** — Not applicable.

10. **INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES**

A–N. Material Related Party Transactions

Pursuant to the terms of a management agreement (the "Agreement"), UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS' expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a per member per month ("PMPM") basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, utilization management, network management and operations for medical, behavioral health, pharmacy

benefit management, transplant services and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company's members. Total administrative services and access fees under this arrangement totaled \$119,596,463 and \$115,765,228 in 2016 and 2015, respectively, and are included in disability benefits and benefits under accident and health contracts, general insurance expenses and insurance taxes, licenses, and fees, excluding federal income taxes in the statutory basis statements of operations. Certain direct expenses not covered under the Agreement, such as Department exam and licensing fees and ACA assessments are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

The Company contracts with OptumRx, Inc. ("OptumRx") to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements are calculated on a per-claim basis and are included in general insurance expenses in the statutory basis statements of operations.

The Company is a party to various purchased service agreements with various related parties, whereby these related parties provide a combination of network management and benefit administration to the Company. Spectera, Inc. provides administrative services related to vision benefit management and claims processing. Dental Benefit Providers, Inc. provides network access and dental care administration. United Behavioral Health (UBH) provides mental health and substance abuse services. In all instances, the fees and costs of such services are reasonable and consistent with those provided by a third-party provider.

The Company was charged the following for Purchase Service Agreements, which are included in general insurance expenses and insurance taxes, licenses, and fees, excluding federal income taxes in the statutory basis statements of operations:

	2016	2015
Purchased services agreements:		
OptumRx pharmacy fees	\$ 4,670,735	\$ 4,633,914
Optum network access fees	339,392	453,137
Dental Benefit Providers, Inc. administrative fees	2,502,518	2,840,353
Spectera, Inc. vision administrative fees	387,404	450,500
UHS disease management services	2,005,246	-
URN transplant services	394,526	397,949
All other affiliated expenses	<u>266,229</u>	<u>233,082</u>
Total purchased services	<u>\$ 10,566,050</u>	<u>\$ 9,008,935</u>

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company holds a \$150,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate ("LIBOR") plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective July 1, 2016. No amounts were outstanding under the line of credit as of December 31, 2016 and 2015.

At December 31, 2016 and 2015, the Company reported \$47,513,063 and \$43,029,268, respectively, as receivables from parent, subsidiaries, and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

In addition to the agreements above, UHS maintains a private short-term money market investment pool in which affiliated companies may participate (see Note 1). At December 31, 2016 and 2015, the Company's portion was \$5,492,068 and \$4,748,854, respectively, and is included in cash, cash equivalents, and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$156,800,000 and \$150,000,000 in 2016 and 2015, respectively, to its parent (see Note 13).

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary or controlled or affiliated entity.

The Company does not have any investments in a subsidiary or controlled or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries or controlled or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2016 and 2015.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

A–I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 1,000,000 shares authorized and 815,676 shares issued and outstanding of \$4 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, GRFC.

(3) The maximum amount of dividends which can be paid by insurance companies which are regulated under the State of Indiana holding company statutes without prior approval of the Department is restricted to the lesser of statutory basis net gain from operations (before realized gains (losses)) for the preceding year or 10% of statutory policyholder surplus at the end of the preceding year. The maximum dividend allowable in 2017 without prior approval of the Department is \$17,005,041.

(4) The Company paid an ordinary cash dividend to GRFC of \$56,800,000 on June 23, 2016, which required no approval and was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company paid extraordinary cash dividends to GRFC of \$50,000,000 each on November 7, 2016 and December 27, 2016, which were approved by the Department and recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

(5) The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned surplus.

(7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

(9) As discussed in Note 1, in 2016 no amount is required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment. For the year ended December 31, 2015, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$25,904,273.

(10) The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends or infusions, represented (or reduced) by each item below is as follows:

	2016	2015	Change
Net deferred income taxes	\$ 21,016,127	\$ 21,117,247	\$ (101,120)
Nonadmitted assets	(19,219,784)	(14,129,870)	(5,089,914)
Asset valuation reserve	(1,501,545)	(2,097,471)	595,926
Surplus due to reinsurance	<u>12,144,535</u>	<u>13,943,725</u>	<u>(1,799,190)</u>
Total	<u>\$ 12,439,333</u>	<u>\$ 18,833,631</u>	<u>\$ (6,394,298)</u>

(11-13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

(1) A liability for guaranty fund assessments is accrued after the insolvency has occurred. A liability for other assessments is accrued based upon historical trends. A liability for guaranty fund and other assessments of \$39,736,394 and \$8,863,338 and an asset for related premium tax offsets of \$2,373,912 and \$3,173,632 are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2016 and 2015, respectively. The Company incurred assessment expense of \$37,302,367 and \$3,934,385 for 2016 and 2015, respectively, which are included in insurance taxes, licenses, and fees, excluding federal income taxes in the statutory basis statements of operations. The Company takes credits on its premium tax returns based upon pre-determined guidance from the assessing state.

(2) Assets recognized from paid and accrued premium tax offsets and policy surcharges are presented below:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ 3,173,632
b. Decreases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	1,585,043
c. Increases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	<u>785,323</u>
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	<u>\$ 2,373,912</u>

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingencies

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability

(including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

Under state guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of impaired or insolvent insurance companies that write the same line or similar lines of business. In 2009, the Pennsylvania Insurance Commissioner placed long term care insurer Penn Treaty Network America Insurance Company and its subsidiary (Penn Treaty), neither of which is affiliated with the Company, in rehabilitation and petitioned a state court for approval to liquidate Penn Treaty. In 2012, the court denied the liquidation petition and ordered the Insurance Commissioner to submit a rehabilitation plan. A second amended plan of rehabilitation was later withdrawn and, as of November 2016, Penn Treaty will be liquidated. As of December 31, 2016, the Company recorded the \$32,775,531 impact of its estimated share of the undiscounted guaranty association assessments resulting from the Penn Treaty liquidation, which is included in taxes, licenses and fees due or accrued, excluding federal income taxes and insurance taxes, licenses and fees, excluding federal income taxes in the statutory basis financial statements. While payment timing is currently unknown, the Company anticipates that the majority of the assessments will be paid within the next five years.

The Company is not aware of any other guaranty fund assessments, potential or accrued, that could have a material financial effect on the operations of the Company.

There are no other assets that the Company considers to be impaired at December 31, 2016 and 2015, except as disclosed in Note 5 and Note 20.

15. LEASES

A–B. According to the Agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

In 2016 and 2015, the amount of imputed rent relating to the Company's occupancy of its own buildings, which is included in both net investment income earned and general insurance expenses in the statutory basis statements of operations, was \$1,338,301 and \$1,008,246, respectively.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A–C. The Company does not have any uninsured or partially insured accident and health plans.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2016 and 2015.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1—Quoted (unadjusted) prices for identical assets in active markets.

Level 2—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3—Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1–5) The Company does not have any financial assets that are measured and reported at fair value in the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2016 and 2015.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2016 and 2015 is presented in the table below:

Types of Financial Investment	2016					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
U.S. government and agency securities	\$ 79,209,787	\$ 80,828,914	\$ 44,299,611	\$ 34,910,176	\$ -	\$ -
State and agency municipal securities	100,446,008	100,695,885	-	100,446,008	-	-
City and county municipal securities	70,174,542	70,785,687	-	70,174,542	-	-
Corporate debt securities (includes commercial paper)	122,220,381	122,725,941	-	122,220,381	-	-
Money-market funds	8,419,562	8,419,562	8,419,562	-	-	-
Other invested assets	<u>15,422,449</u>	<u>15,422,449</u>	<u>-</u>	<u>-</u>	<u>15,422,449</u>	<u>-</u>
Total bonds, short-term investments, and other invested assets	<u>\$ 395,892,729</u>	<u>\$ 398,878,438</u>	<u>\$ 52,719,173</u>	<u>\$ 327,751,107</u>	<u>\$ 15,422,449</u>	<u>\$ -</u>

Types of Financial Investment	2015					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
U.S. government and agency securities	\$ 89,851,153	\$ 89,436,052	\$ 29,165,766	\$ 60,685,387	\$ -	\$ -
State and agency municipal securities	117,900,079	115,835,037	-	117,900,079	-	-
City and county municipal securities	94,496,190	92,250,712	-	94,496,190	-	-
Corporate debt securities (includes commercial paper)	201,596,253	204,395,836	-	201,596,253	-	-
Money-market funds	8,428,388	8,428,388	8,428,388	-	-	-
Other invested assets	<u>17,287,933</u>	<u>17,287,933</u>	<u>-</u>	<u>-</u>	<u>17,287,933</u>	<u>-</u>
Total bonds, short-term investments, and other invested assets	<u>\$ 529,559,996</u>	<u>\$ 527,633,958</u>	<u>\$ 37,594,154</u>	<u>\$ 474,677,909</u>	<u>\$ 17,287,933</u>	<u>\$ -</u>

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of \$44,299,611 and \$29,165,766 as of December 31, 2016 and December 31, 2015, respectively.

Included as Level 2 in corporate debt securities in the fair value hierarchy tables above are commercial paper investments of \$2,240,851 and \$1,894,755 as of December 31, 2016 and December 31, 2015, respectively. The commercial paper investments reflected in the tables above are included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

D. Not Practicable to Estimate Fair Value — Not applicable.

21. OTHER ITEMS

The Company’s business is regulated at federal, state and local levels, and the Company must obtain and maintain regulatory approvals to market and sell many of its products. The laws and rules governing the Company’s business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. State legislatures and Congress continue to focus on health care issues.

- A. The Company did not encounter any unusual or infrequent items for the years ended December 31, 2016 and 2015.
- B. The Company has no troubled debt restructurings as of December 31, 2016 and 2015.
- C. The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.
- D. The Company has not received any business interruption insurance recoveries during 2016 and 2015.
- E. The Company has no transferable or non-transferable state tax credits.
- F. Sub-Prime Mortgage-Related Risk Exposure

(1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are NAIC rating of 1 or 2.

- (2) The Company has no direct exposure through investments in sub-prime mortgage loans.
 - (3) The Company has no direct exposure through other investments.
 - (4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.
- G. The Company does not have any retained asset accounts for beneficiaries.
- H. As of December 31, 2016, the Company is not aware of any possible proceeds of insurance-linked securities.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 27, 2017, which is the date these statutory basis financial statements were available for issuance.

TYPE I – Recognized Subsequent Events:

There are no events subsequent to December 31, 2016, that require recognition and disclosure.

TYPE II — Non-Recognized Subsequent Events

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. Pursuant to the 2017 HIF moratorium (see Note 1), no HIF will be payable in 2017 and therefore there will be no amounts apportioned out of unassigned funds in 2016 representing an estimate of the 2017 HIF.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2016 and 2015:

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	<u>Yes</u>	
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 25,904,273
C. ACA fee assessment paid	26,018,575	34,421,981
D. Premium written subject to ACA 9010 assessment	-	1,456,716,132
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 30)	171,551,958	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	171,551,958	
G. Authorized Control Level (Five-Year Historical Line 31)	48,157,273	
H. Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)?	<u>No</u>	

There are no other events subsequent to December 31, 2016 that require disclosure.

23. REINSURANCE

Reinsurance Agreements—In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company is subject to the reinsurance provisions pursuant to the ACA for compliant individual policies (see Note 24).

The Company cedes 100% of the total risk on individual life policies, except group life and term life rider. The ceding commission, net of tax, generated from entering into this agreement was recorded directly to surplus in 2005. Per SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, the net ceding commission is to be amortized back into income with a corresponding decrease to surplus. The rate of amortization is based upon the Company's projected income on that block of business had it not entered into the transaction. The impact of this treatment is to increase net income and have no effect on surplus.

For accident and health and disability policies, the Company has established various limits of coverage it will retain on any one policyholder and cedes the remainder of such coverage.

One reinsurer accounted for 99% of the Company's December 31, 2016 and 2015, ceded reserves for life and accident and health insurance. The Company remains obligated for amounts ceded in the event that reinsurers do not meet their obligations.

The effect of external reinsurance agreements outlined above on premiums for life and accident and health contracts—net and disability benefits and benefits under accident and health insurance contracts is presented below:

	2016	2015
Premiums for life and accident and health contracts:		
Direct	\$ 1,386,110,340	\$ 1,536,666,130
Ceded:		
Nonaffiliate	<u>(31,877,912)</u>	<u>(35,380,868)</u>
Premiums for life and accident and health contracts—net	<u>\$ 1,354,232,428</u>	<u>\$ 1,501,285,262</u>
Disability benefits and benefits under accident and health insurance contracts:		
Direct	\$ 968,301,428	\$ 1,079,304,661
Ceded:		
Nonaffiliate	<u>(1,309,716)</u>	<u>(2,877,826)</u>
Disability benefits and benefits under accident and health insurance contracts	<u>\$ 966,991,712</u>	<u>\$ 1,076,426,835</u>

The Company recognized reinsurance recoveries related to external reinsurance agreements of \$2,730,425 and \$100,000 in 2016 and 2015, respectively, which are netted against disability benefits and benefits under accident and health insurance contracts—net in the statutory basis statements of operations. In addition, reinsurance recoverables related to external reinsurance agreements of \$1,372,863 and \$2,275,394 for paid losses are recorded as amounts recoverable from reinsurers and \$50,495 and \$568,673 for unpaid losses are recorded as a reduction to contract claims for life and accident and health in 2016 and 2015, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

- (1)

Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)
- (2)

Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 — Ceded Reinsurance Report—Part A

- (1)

Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)
- (2)

Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other

reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 — Ceded Reinsurance Report—Part B

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2016.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance — During 2016 and 2015, there were no uncollectible reinsurance recoverables.

C. Commutation of Ceded Reinsurance — There was no commutation of reinsurance in 2016 or 2015.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation — Not applicable.

E–G. Affiliated Captive Reinsurers — Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A.** The Company estimates accrued retrospective premium adjustments for its individual health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due from the Company are recorded in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to premiums for life and accident and health contracts—net in the statutory basis statements of operations.
- C.** Pursuant to the ACA, the Company's commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial lines of business subject to the retrospectively rated features was \$1,057,447,222 and \$1,257,211,124, representing 77% and 83% of total direct premiums written as of December 31, 2016 and 2015, respectively.

The Company established a liability for estimated premium refunds in states in which “file and use” rates are used. Regulatory requirements mandate premium refunds be made annually when credible experience in a specific state is below the minimum loss ratio mandated by that state. The amount of premiums for other life and accident and health contracts written by the Company subject to experience rating refunds was \$7,634,903 and \$10,129,521 representing 0.6% and 0.7% of total premiums for life and accident and health contracts, as of December 31, 2016 and 2015, respectively.

- D. The Company does not have Medicare business subject to specific minimum loss ratio requirements as of December 31, 2016 and 2015. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial line of business. The following table discloses the minimum medical loss ratio rebate liability which is included in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2016 and 2015:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	\$ 11,430,461	\$ -	\$ -	\$ -	\$ 11,430,461
(2) Medical loss ratio rebates paid	32,866,760	-	-	-	32,866,760
(3) Medical loss rebates unpaid	12,286,208	-	-	-	12,286,208
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	12,286,208
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	3,572,361	-	-	-	3,572,361
(8) Medical loss ratio rebates paid	10,279,464	-	-	-	10,279,464
(9) Medical loss rebates unpaid	5,579,105	-	-	-	5,579,105
(10) Plus reinsurance assumed amount	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	5,579,105

E. Risk-Sharing Provisions of the Affordable Care Act

- (1) The Company has accident and health insurance premiums in 2016 and 2015 subject to the risk-sharing provisions of the ACA.

The ACA imposes fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance. The three premium stabilization programs are commonly referred to as the 3Rs—risk adjustment, reinsurance, and risk corridor.

Risk Adjustment — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Reinsurance — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program is effective from 2014 through 2016 and applies to all issuers of major medical commercial products and third-party administrators. Contributions attributable to enrollees in the ACA compliant individual plans, including program administrative costs, are accounted for as ceded premium and payments received are accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury is accounted for as an assessment. Contributions made for enrollees in fully insured plans other than the ACA compliant individual plans, including program administrative costs and payments to the U.S. Treasury, are treated as assessments.

Risk Corridors — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applies to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk corridors program are accounted for as premium adjustments for retrospectively rated contracts.

(2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations:

a. Permanent ACA Risk Adjustment Program		December 31, 2016
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	\$	96,124
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		13,134
3. Premium adjustments payable due to ACA Risk Adjustment		4,286,068
Operations (revenue & expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		(4,072,984)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		13,308
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$	1,372,863
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liabilities)		50,495
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		-
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium		6,576,572
5. Ceded reinsurance premiums payable due to ACA Reinsurance		98,332
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance		-
Operations (revenue & expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		158,429
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments		1,391,705
9. ACA Reinsurance contributions—not reported as ceded premium		6,516,475
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors	\$	-
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		-
Operations (revenue & expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		-
4. Effect of ACA Risk Corridors on change in reserves for rate credits		-

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

(3) The following table is a rollforward of the prior year ACA risk-sharing provisions for asset and liability balances, along with reasons for adjustments to prior year balances:

				Differences		Adjustments		Unsettled Balances as of the Reporting Date	
Accrued During the Prior Year on Business Written before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written before December 31 of the Prior Year		Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
1	2	3	4	5	6	7	8	9	10
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable (Payable)
a. Permanent ACA Risk Adjustment Program									
1. Premium Adjustment Receivable	\$ 316,131	\$ -	\$ 263,835	\$ -	\$ 52,296	\$ -	\$ (52,296)	A	\$ -
2. Premium Adjustment (Payable)	-	(3,833,288)	-	(3,664,032)	-	(169,256)	169,255	B	- (1)
3. Subtotal ACA Permanent Risk Adjustment Program	316,131	(3,833,288)	263,835	(3,664,032)	52,296	(169,256)	(52,296) 169,255		- (1)
b. Transitional ACA Reinsurance Program									
1. Amounts recoverable for claims paid	2,275,394	-	2,730,425	-	(455,031)	-	789,998	C	334,967 -
2. Amounts recoverable for claims unpaid (contra liability)	486,685	-	-	-	486,685	-	(486,685)	D	- -
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	E	- -
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-	(13,812,951)	-	(13,812,951)	-	-	-	F	- -
5. Ceded reinsurance premiums payable	-	(180,290)	-	(180,290)	-	-	-	G	- -
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	H	- -
7. Subtotal ACA Transitional Reinsurance Program	2,762,079	(13,993,241)	2,730,425	(13,993,241)	31,654	-	303,313		334,967 -
c. Temporary ACA Risk Corridors Program									
1. Accrued retrospective premium	-	-	-	-	-	-	-	I	- -
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	J	- -
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-		- -
d. Total for ACA Risk-Sharing Provisions	\$ 3,078,210	\$ (17,826,529)	\$ 2,994,260	\$ (17,657,273)	\$ 83,950	\$ (169,256)	\$ 251,017 \$ 169,255		\$ 334,967 \$ (1)

Explanation of Adjustments

- The 2015 December risk adjustment factor receivable was reported based on estimated state risk transfer factors for each state and risk pool utilizing paid claims data through October 31, 2015. The adjustments as of 12/31/2016 reflect true-ups based on the final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2015 Program Year and reflect the balance in accordance with the CMS cash settlement process at the state and market level.
- The 2015 December risk adjustment factor payable was reported based on estimated state risk transfer factors for each state and risk pool utilizing paid claims data through October 31, 2015. The adjustments as of 12/31/2016 reflect true-ups based on the Final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2015 Program Year and reflect the balance in accordance with the CMS cash settlement process at the state and market level.
- The adjustment to the amounts recoverable for paid claims was driven by the inclusion of 4 months of additional paid claims run out data from December 2015 to April 2016 as well as CMS increasing the reinsurance co-insurance rate from the previously published 50% to 55.2% in Q2 '16.
- The adjustment to the amounts recoverable for claims unpaid reflects the HHS Reinsurance Program parameters which base the final reinsurance recovery amount only on 2015 incurred claims data paid through April 2016.
- E. N/A
- F. N/A
- G. N/A
- H. N/A
- I. N/A
- J. N/A

(4) The Company does not have any risk corridor receivables or payables to present in the table below.

(5) The Company does not have any risk corridor receivables to present in the table below.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

This disclosure only relates to accident and health contracts. The reserve for life contracts and annuity life contracts are included in a separate disclosure (see Note 31). The disclosure for loss adjustment expenses is included in Note 35.

Changes in estimates related to the prior year incurred claims are included in disability benefits and benefits under accident and health insurance contracts—net in the current year in the statutory basis statements of operations. The following table summarizes changes in aggregate reserves for accident and health contracts and contract claims for accident and health for the years ended December 31, 2016 and 2015:

	2016	2015
Unpaid claim reserves for accident and health and contract claims for accident and health policies at January 1	\$ 169,556,511	\$ 170,170,958
Incurred benefits related to:		
Current year	976,844,660	1,084,133,927
Prior years	(10,182,291)	(8,555,312)
Total incurred	966,662,369	1,075,578,615
Paid claims related to:		
Current year	813,091,999	915,288,256
Prior years	159,541,085	160,904,806
Total paid	972,633,084	1,076,193,062
Unpaid claim reserves for accident and health and contract claims for accident and health policies at December 31	163,585,796	169,556,511
Unearned premium reserve	52,384,496	58,566,471
Active life reserves	9,256,316	10,025,807
Section 1343 ACA risk adjustment payable	4,286,068	3,833,288
Total aggregate reserves for accident and health and contract claims for accident and health policies	\$ 229,512,676	\$ 241,982,077

Actual claims incurred in 2016 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2015 by \$10,182,291. Actual claims incurred in 2015 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2014 by \$8,555,312. The favorable reserve development resulted primarily from the favorable settlement or outcome of certain claims and ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding medical inflation trends, changes in utilization of health care services, changes in claims submission or payment patterns, and other relevant factors.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2016 or 2015.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2016 or 2015.

28. HEALTH CARE RECEIVABLES

A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables*

under Government Insured Plans (“SSAP No. 84”) from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
12/31/2016	\$ 6,222,303	\$ -	\$ -	\$ -	\$ -
9/30/2016	6,487,061	5,635,210	1,795,422	-	-
6/30/2016	6,010,101	5,465,365	3,210,399	1,910,981	-
3/31/2016	5,095,523	4,855,246	1,535,844	3,060,866	146,524
12/31/2015	5,496,869	5,260,011	2,947,509	2,168,307	30,344
9/30/2015	5,328,348	5,033,532	2,884,750	1,487,229	579,106
6/30/2015	5,674,384	5,344,401	2,740,941	1,888,350	666,834
3/31/2015	5,494,275	5,045,214	2,719,305	1,428,999	858,093
12/31/2014	5,511,533	5,350,856	2,554,026	2,066,994	671,002
9/30/2014	5,494,920	5,127,995	2,518,899	1,709,275	830,821
6/30/2014	4,900,735	4,618,131	2,023,647	1,767,997	790,717
3/31/2014	4,191,564	4,340,944	674,167	1,831,182	1,816,008

Of the amount reported as health care receivables, \$8,450,591 and \$6,822,130 relates to pharmacy rebates receivable as of December 31, 2016 and 2015, respectively. This increase is primarily due to the change in generic/name brand mix.

B. The Company does not have any risk-sharing receivables.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2016 or 2015.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2016 or 2015. The analysis of premium deficiency reserves was completed as of December 31, 2016 and 2015. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company’s premium deficiency reserves as of December 31, 2016 and 2015:

	2016
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	12/31/2016
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	2015
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	12/31/2015
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

(1) The Company waives deduction of deferred fractional premiums upon death of an insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

- (2) Extra premiums are charged for substandard lives for life policies, plus the gross premium for a rated age. Mid-terminal reserves are determined by computing the regular mid-terminal reserve for the plan at the rated age and, in addition, holding one-half of the extra premium charge for the year.
- (3) The Company had no insurance in-force at December 31, 2016, for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Indiana. Reserves to cover the above insurance totaled the gross amount of \$0 at December 31, 2016.
- (4) Tabular Interest has been determined by formulas as prescribed by the NAIC.
- The Tabular Less Actual Reserve Released has been determined by formula as prescribed by the NAIC.
- Tabular Cost has been determined by a formula as prescribed by the NAIC.
- (5) Tabular interest on funds not involving life contingencies is determined by a formula as prescribed by the NAIC.
- (6) The Company made no other changes to the reserving methodology during 2016.

Pursuant to an indemnity reinsurance agreement the Company cedes all life and annuity business, excluding group life and term life rider business. A ceding commission of \$44,430,417, net of tax, was received by the Company of which \$1,799,190 and \$1,799,190, net of tax, was recognized as ceded commissions in the statutory basis statements of operations during 2016 and 2015, respectively.

The valuation method used for life and annuity policies and contracts at December 31, 2016 and 2015 is as follows:

	2016	2015
1958 CSO ALB 3% CRVM	\$ 2,070,615	\$ 2,333,556
1958 CSO ALB 4 1/2% CRVM	19,396,797	19,844,834
1971 IAM 3 1/2 — 8 1/2%	451,993,098	486,807,169
1983 IAM 5 1/4 — 11%	986,555	1,753,372
1980 CSO 4 1/2 — 5 1/2% CRVM	1,222,910,149	1,240,825,630
Other	31,277,392	32,474,147
Reinsurance credit	(1,727,963,990)	(1,783,349,475)
Total aggregate reserves for life contracts and contract claims for life contracts	\$ 670,616	\$ 689,233

Policy reserves have been reduced at December 31, 2016 and 2015, by \$1,724,575,584 and \$1,778,026,201, respectively, for reinsurance ceded (including reinsurance on annuity and deposit fund liabilities). Claim liabilities, which are included in contract claims - life, have been reduced at December 31, 2016 and 2015, by \$6,862,026 and \$7,851,556, respectively, for reinsurance ceded.

The Company recognized reinsurance recoveries of \$94,283,985 and \$89,708,160 in 2016 and 2015, respectively, which are netted against death benefits in the statutory basis statements of operations.

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT-TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

A–E. At December 31, 2016 and 2015, total annuity actuarial reserves, deposit-type contract funds, and other liabilities without life or disability contingencies by withdrawal characteristics are as follows:

2016					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ 5,516,695	\$ -	\$ -	\$ 5,516,695	1.2%
(2) At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	5,516,695	-	-	5,516,695	1.2%
(5) At book value without adjustment (minimal or no charge or adjustment)	448,148,857	-	-	448,148,857	98.2%
B. Not subject to discretionary withdrawal	2,862,357	-	-	2,862,357	0.6%
C. Total (gross: direct + assumed)	456,527,909	-	-	456,527,909	100.0%
D. Reinsurance ceded	456,527,909	-	-	456,527,909	
E. Total (net) (C) - (D)	\$ -	\$ -	\$ -	\$ -	

2015					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ 5,513,303	\$ -	\$ -	\$ 5,513,303	1.1%
(2) At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	5,513,303	-	-	5,513,303	1.1%
(5) At book value without adjustment (minimal or no charge or adjustment)	481,820,164	-	-	481,820,164	98.1%
B. Not subject to discretionary withdrawal	3,833,097	-	-	3,833,097	0.8%
C. Total (gross: direct + assumed)	491,166,564	-	-	491,166,564	100.0%
D. Reinsurance ceded	491,166,564	-	-	491,166,564	
E. Total (net) (C) - (D)	\$ -	\$ -	\$ -	\$ -	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. A reconciliation of annuity reserves and deposit fund liabilities to Aggregate Reserves for Life Policies and Contracts Exhibit and Deposit Funds and Other Liabilities without Life or Disability Contingencies Exhibit, of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement, are as follows:

	2016	2015
Life Accident & Health Annual Statement		
1. Exhibit 5, Annuities Section, Total (net)	\$ -	\$ -
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-	-
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	-	-
4. Subtotal	-	-
Separate Accounts Annual Statement		
5. Exhibit 3, Line 0299999, Column 2	-	-
6. Exhibit 3, Line 0399999, Column 2	-	-
7. Policyholder dividend and coupon accumulations	-	-
8. Policyholder premiums	-	-
9. Guaranteed interest contracts	-	-
10. Other contract deposit funds	-	-
11. Subtotal	-	-
12. Combined Total	\$ -	\$ -

33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

A. Deferred and uncollected group life insurance premiums, gross and net of loading, were as follows:

Type	2016	
	Gross	Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	3,431	2,859
(3) Ordinary renewal	1,520	1,464
(4) Credit life	-	-
(5) Group life	10,406	10,104
(6) Group annuity	-	-
(7) Totals	\$ 15,357	\$ 14,427

Type	2015	
	Gross	Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	-	-
(3) Ordinary renewal	2,588	2,493
(4) Credit life	-	-
(5) Group life	14,712	14,286
(6) Group annuity	-	-
(7) Totals	\$ 17,300	\$ 16,779

34. SEPARATE ACCOUNTS

A–C. The Company does not have separate account business as of December 31, 2016 and 2015.

35. LOSS/CLAIM ADJUSTMENT EXPENSES

The following table summarizes changes in unpaid claims adjustment expenses for the years ended December 31, 2016 and 2015, which are included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus:

	2016	2015
Unpaid claims adjustment expenses—January 1	<u>\$ 3,424,004</u>	<u>\$ 3,172,080</u>
Incurring claims adjustment expenses related to:		
Current year	18,117,142	21,892,873
Prior years	<u>(468,155)</u>	<u>91,567</u>
Total incurred	<u>17,648,987</u>	<u>21,984,440</u>
Paid claims adjustment expenses related to:		
Current year	15,080,088	18,483,223
Prior years	<u>2,958,944</u>	<u>3,249,293</u>
Total paid	<u>18,039,032</u>	<u>21,732,516</u>
Unpaid claims adjustment expenses—December 31	<u>\$ 3,033,959</u>	<u>\$ 3,424,004</u>

Due to the type of business being written with these licenses, the Company has no salvage. As of December 31, 2016 and 2015, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Indiana

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2012

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/09/2014

3.4

By what department or departments?
Indiana

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [X] No []
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
Optum Bank, Inc.	Salt Lake City, UT			YES	

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Baker Tilly Virchow Krause LLP, Minneapolis, MN
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Timothy Allen Luker, FSA MAAA, Director, Actuarial, UnitedHealth Group, 3100 AMS Boulevard, Green Bay, WI 54313
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes ☐ No ☒
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes ☒ No ☐
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes ☒ No ☐
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes ☒ No ☐

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ☐ No ☒
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$

20.12 To stockholders not officers\$

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$

20.22 To stockholders not officers\$

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ☐ No ☒
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ☒ No ☐
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses1,956,144

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☒ No ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes ☒ No ☐
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☐ No ☐ N/A ☒
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☐ No ☐ N/A ☐
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☐ No ☐ N/A ☐
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes ☐ No ☐ N/A ☐

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	4,381,732
		25.29 On deposit with other regulatory bodies	\$	0
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☒ N/A ☐
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☐

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	Global Liquidity Services, 1 Wall St. 14th Floor, New York, NY 10286
Northern Trust	50 S. LaSalle, Chicago IL 60675

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Internally Managed	I.....
JPMorgan Investment Management Inc.	U.....
Standish Mellon Asset Management Company	U.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107038	JPMorgan Investment Management Inc.	N/A	SEC	NO.....
113972	Standish Mellon Asset Management Company	N/A	SEC	NO.....
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	383,715,371	380,729,663	(2,985,708)
30.2 Preferred stocks	0		0
30.3 Totals	383,715,371	380,729,663	(2,985,708)

30.4 Describe the sources or methods utilized in determining the fair values:
For those securities that had prices in the NAIC SVO ISIS database, those prices were used: for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources.
.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:
.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid

34.1 Amount of payments for legal expenses, if any?\$0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ☒ No ☐

1.2

If yes, indicate premium earned on U.S. business only

\$22,663,460

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$0

1.31 Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$16,386,042

1.6

Individual policies:

Most current three years:

1.61 Total premium earned

\$0

1.62 Total incurred claims

\$0

1.63 Number of covered lives

0

All years prior to most current three years

1.64 Total premium earned

\$22,663,460

1.65 Total incurred claims

\$16,386,042

1.66 Number of covered lives

7,991

1.7

Group policies:

Most current three years:

1.71 Total premium earned

\$0

1.72 Total incurred claims

\$0

1.73 Number of covered lives

0

All years prior to most current three years

1.74 Total premium earned

\$0

1.75 Total incurred claims

\$0

1.76 Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

1,343,723,860

1,494,606,807

2.2

Premium Denominator

1,354,232,427

1,501,285,262

2.3

Premium Ratio (2.1/2.2)

0.992

0.996

2.4

Reserve Numerator

213,247,384

225,072,603

2.5

Reserve Denominator

230,183,293

242,671,310

2.6

Reserve Ratio (2.4/2.5)

0.926

0.927

3.1

Does this reporting entity have Separate Accounts?

Yes ☐ No ☒

3.2

If yes, has a Separate Accounts Statement been filed with this Department?

Yes ☐ No ☐ N/A ☒

3.3

What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?

\$

3.4

State the authority under which Separate Accounts are maintained:

3.5

Was any of the reporting entity's Separate Accounts business reinsured as of December 31?

Yes ☐ No ☐

3.6

Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?

Yes ☐ No ☐

3.7

If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"?

4.1

Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?

Yes ☒ No ☐

4.2

Net reimbursement of such expenses between reporting entities:

4.21 Paid

\$119,596,463

4.22 Received

\$

5.1

Does the reporting entity write any guaranteed interest contracts?

Yes ☐ No ☒

5.2

If yes, what amount pertaining to these lines is included in:

5.21 Page 3, Line 1

\$

5.22 Page 4, Line 1

\$

6.

FOR STOCK REPORTING ENTITIES ONLY:

6.1

Total amount paid in by stockholders as surplus funds since organization of the reporting entity:

\$14,162,016

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash

\$2,169,724,559

7.12 Stock

\$15,968,954

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death
benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business
originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No [X]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium			0
8.32 Paid claims			0
8.33 Claim liability and reserve (beginning of year)			0
8.34 Claim liability and reserve (end of year)			0
8.35 Incurred claims	0	0	0

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	<\$25,000		
8.42	\$25,000 - 99,999		
8.43	\$100,000 - 249,999		
8.44	\$250,000 - 999,999		
8.45	\$1,000,000 or more		

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools?\$

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1	2	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Guaranteed Death Benefit	Guaranteed Living Benefit							

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:
10.1 Amount of loss reserves established by these annuities during the current year:\$
10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2
	Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company And Location	

11.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date.\$

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

11.4 If yes, please provide the balance of funds administered as of the reporting date.\$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

GENERAL INTERROGATORIES

12.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]

12.2 If the answer to 12.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

13. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

13.1 Direct Premium Written\$29,427,807

13.2 Total Incurred Claims\$67,790,528

13.3 Number of Covered Lives33,573

*Ordinary Life Insurance Includes
Term (whether full underwriting,limited underwriting,jet issue,"short form app")
Whole Life (whether full underwriting,limited underwriting,jet issue,"short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.
Show amounts of life insurance in this exhibit in thousands (OMIT \$000)

	1 2016	2 2015	3 2014	4 2013	5 2012
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)	1,700,501	1,765,695	1,859,418	2,130,536	2,011,597
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	3,517,363	3,725,295	4,005,584	4,259,544	4,860,162
3. Credit life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	516,005	681,765	986,321	1,584,566	1,419,241
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	5,733,869	6,172,755	6,851,323	7,974,645	8,291,000
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	75,500	0	0	105,300	93,892
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	859,462	771,250
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	75,500	0	0	964,762	865,142
Premium Income - Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-life insurance (Line 20.4, Col. 3)	155,856	98,638	205,966	218,442	178,861
15.2 Ordinary-individual annuities (Line 20.4, Col. 4)	0	0	0	0	0
16. Credit life (group and individual) (Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6)	1,334,673	1,258,616	1,897,717	2,070,371	1,693,413
17.2 Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8)	1,167,768,860	1,281,402,227	1,562,647,414	1,700,974,088	1,575,397,485
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10)	184,973,039	218,525,783	285,876,117	317,327,184	302,209,947
19. Aggregate of all other lines of business (Line 20.4, Col. 11)	0	0	0	0	0
20. Total	1,354,232,427	1,501,285,264	1,850,627,213	2,020,590,085	1,879,479,707
Balance Sheet (Pages 2 & 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	529,488,173	635,565,515	718,208,451	759,785,315	782,483,247
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	359,437,760	367,539,021	405,025,824	466,290,127	490,190,818
23. Aggregate life reserves (Page 3, Line 1)	61,259	56,371	50,631	75,941	72,011
24. Aggregate A & H reserves (Page 3, Line 2)	68,649,789	75,477,817	84,122,300	103,632,834	97,875,084
25. Deposit-type contract funds (Page 3, Line 3)	0	0	0	0	0
26. Asset valuation reserve (Page 3, Line 24.01)	1,501,545	2,097,471	2,142,677	1,899,581	1,592,614
27. Capital (Page 3, Lines 29 and 30)	3,262,704	3,262,704	3,262,704	3,262,704	3,262,704
28. Surplus (Page 3, Line 37)	166,787,709	264,763,790	309,919,923	290,232,484	289,029,725
Cash Flow (Page 5)					
29. Net Cash from Operations (Line 11)	53,386,756	44,673,659	54,457,480	113,024,648	118,935,046
Risk-Based Capital Analysis					
30. Total adjusted capital	171,551,958	270,123,965	315,325,304	295,394,769	293,885,043
31. Authorized control level risk - based capital	48,157,273	51,714,452	61,690,621	71,136,905	58,423,675
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	89.3	91.0	86.6	85.7	78.2
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate(Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.7	0.5	0.5	0.5	0.6
36. Cash, cash equivalents and short-term investments (Line 5)	6.2	5.2	10.0	10.6	18.0
37. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7)	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 8)	3.8	3.3	3.0	3.2	3.2
40. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1)					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)				0	
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1),					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Lines 44 to 49	0	0	0	0	0
51. Total Investment in Parent included in Lines 44 to 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2)	19,219,784	14,129,870	13,158,171	33,140,408	29,015,753
53. Total admitted assets (Page 2, Line 28, Col. 3)	529,488,173	635,565,515	718,208,451	759,785,315	782,483,247
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	8,680,041	9,480,381	11,737,231	12,874,883	15,920,980
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	63,271	(2,726)	(98,106)	(13,872)	(48,451)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)					
57. Total of above Lines 54, 55 and 56	8,743,312	9,477,655	11,639,125	12,861,011	15,872,529
Benefits and Reserve Increases (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11,12, 13, 14 and 15 Cols. 9, 10 and 11)	653,766	451,710	461,296	1,036,481	621,744
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	966,991,712	1,076,426,835	1,389,926,418	1,490,596,658	1,341,538,525
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	9,172	(374)	(3,487)	204	(1,439)
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	(7,280,808)	(12,477,771)	(19,510,534)	5,757,751	926,546
62. Dividends to policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0	15.1	12.5	14.1	14.5	16.5
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0	5.1	5.3	7.8	7.9	6.0
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	72.2	72.1	75.3	75.0	72.5
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)	1.2	1.0	0.9	0.9	1.0
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)	21.1	17.2	18.5	16.0	18.2
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	138,659,352	136,557,927	153,356,019	145,079,063	128,366,280
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	145,605,482	145,758,825	170,904,095	164,675,646	150,379,754
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	20,714,868	25,057,720	26,312,738	24,469,894	24,965,289
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	23,951,030	24,412,135	29,915,114	33,308,509	28,270,134
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2)	0	0	0	0	0
73. Ordinary - life (Col. 3)	1,524,296	1,531,733	1,653,195	1,309,528	1,260,166
74. Ordinary - individual annuities (Col. 4)	739,450	746,878	751,548	719,677	719,676
75. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	
76. Credit life (Col. 6)	0	0	0	0	0
77. Group life (Col. 7)	285,981	135,204	477,582	165,098	325,011
78. Group annuities (Col. 8)	0	0	0	0	0
79. A & H-group (Col. 9)	53,384,917	88,978,839	53,295,465	95,371,463	96,699,308
80. A & H-credit (Col. 10)	0	0	0	0	0
81. A & H-other (Col. 11)	9,220,302	15,442,116	20,581,197	31,838,436	28,690,748
82. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
83. Total (Col. 1)	65,154,946	106,834,769	76,758,986	129,404,202	127,694,909

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	0	0	34,647	5,490,990	0	0	129	6,720	681,765	6,172,755
2. Issued during year		0	1,510	75,500		0			0	75,500
3. Reinsurance assumed										0
4. Revived during year			15	2,150						2,150
5. Increased during year (net)										0
6. Subtotals, Lines 2 to 5	0	0	1,525	77,650	0	0	0	0	0	77,650
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	36,172	5,568,640	0	0	129	6,720	681,765	6,250,405
Deductions during year:										
10. Death			610	51,203			XXX	7	559	51,762
11. Maturity			33	165			XXX	0	0	165
12. Disability			0	0			XXX	0	0	0
13. Expiry			11	188				0	0	188
14. Surrender			521	59,123				0	0	59,123
15. Lapse			1,367	215,572			6	1,532	155,288	370,860
16. Conversion			36	6,407			XXX	XXX	XXX	6,407
17. Decreased (net)			15	18,118			0	65	9,913	28,031
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	0	0	2,593	350,776	0	0	6	1,604	165,760	516,536
21. In force end of year (Line 9 minus Line 20)	0	0	33,579	5,217,864	0	0	123	5,116	516,005	5,733,869
22. Reinsurance ceded end of year	XXX		XXX	5,127,271	XXX		XXX	XXX	0	5,127,271
23. Line 21 minus Line 22	XXX	0	XXX	90,593	XXX	(b)	XXX	XXX	516,005	606,598
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$; Individual \$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	199
25. Other paid-up insurance			9,300	981,876
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance				
27. Term policies - decreasing			233	1,135
28. Term policies - other	1,510	75,500	16,557	3,515,157
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals (Lines 27 to 30)	1,510	75,500	16,790	3,516,292
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX	276	1,071
34. Totals, whole life and endowment			16,513	1,700,501
35. Totals (Lines 31 to 34)	1,510	75,500	33,579	5,217,864

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	75,500	0	5,217,195	668
38. Credit Life (Group and Individual)				
39. Group			516,005	
40. Totals (Lines 36 to 39)	75,500	0	5,733,200	668

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies or Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies	XXX		XXX	
42. Number in force end of year if the number under insured groups is allocated on a pro-rata basis				XXX
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	25,440
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 'New issues exact basis; older issues on level amount basis
47.2 'New issues exact basis; older issues on level amount basis

POLICIES WITH DISABILITY PROVISIONS

	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
Disability Provisions								
48. Waiver of Premium			3,656	160,577				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total	0	(b) 0	3,656	(b) 160,577	0	(b) 0	0	(b) 0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS				
	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)	7	10		
7. Reinsurance ceded	(7)	(10)		
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES				
	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)	7	672		
7. Reinsurance ceded	(7)	(672)		
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE						
	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	319,952	1,290,777,481	0	0	136,470	211,320,165
2. Issued during year	19,732	502,547,675			283,860	110,146,823
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	339,684	XXX	0	XXX	420,330	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	147,172	XXX		XXX	188,495	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	147,172	XXX	0	XXX	188,495	XXX
10. In force end of year	192,512	(a) 1,160,400,264	0	(a) 0	231,835	(a) 200,781,609

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS		
	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	0	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	0	0
Deductions During Year:		
6. Decreased (net)		13
7. Reinsurance ceded		(13)
8. Totals (Lines 6 and 7)	0	0
9. In force end of year	0	0
10. Amount of account balance	(a)	(a)

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

			Direct Business Only						
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
			2 Life Insurance Premiums	3 Annuity Considerations					
States, Etc.			Active Status						
1.	Alabama	AL	L	380,369	24,776	14,896,401		15,301,546	
2.	Alaska	AK	L			75,804		75,804	
3.	Arizona	AZ	L	615,503	54,945	95,692,770		96,363,218	
4.	Arkansas	AR	L	392,492	8,343	15,666,713		16,067,548	
5.	California	CA	L	1,414,173	175,515	1,329,637		2,919,325	
6.	Colorado	CO	L	676,221	15,491	37,734,485		38,426,198	
7.	Connecticut	CT	L	651,097	63,230	20,095,646		20,809,973	
8.	Delaware	DE	L	109,981	7,439	1,506,278		1,623,698	
9.	District of Columbia	DC	L	53,748		90,789		144,537	
10.	Florida	FL	L	2,383,848	466,272	237,826,545		240,676,665	
11.	Georgia	GA	L	765,949	39,731	34,434,319		35,239,999	
12.	Hawaii	HI	L	143,396	6,304	54,238		203,938	
13.	Idaho	ID	L	36,025	6,500	49,259		91,784	
14.	Illinois	IL	L	2,680,216	218,738	65,406,305		68,305,259	
15.	Indiana	IN	L	1,234,715	211,108	58,672,382		60,118,205	
16.	Iowa	IA	L	693,098	11,677	15,953,177		16,657,952	
17.	Kansas	KS	L	152,141	7,738	5,796,126		5,956,005	
18.	Kentucky	KY	L	769,390	10,574	3,900,317		4,680,281	
19.	Louisiana	LA	L	407,704	19,874	9,240,227		9,667,805	
20.	Maine	ME	L	176,320		21,203		197,523	
21.	Maryland	MD	L	886,822	41,773	14,364,028		15,292,623	
22.	Massachusetts	MA	L	173,971	30,112	41,037		245,120	
23.	Michigan	MI	L	1,743,308	87,666	80,259,117		82,090,091	
24.	Minnesota	MN	L	476,081	26,483	141,340		643,904	
25.	Mississippi	MS	L	217,987	20,884	25,486,196		25,725,067	
26.	Missouri	MO	L	1,307,254	91,007	81,213,465		82,611,726	
27.	Montana	MT	L	4,820		27,386		32,206	
28.	Nebraska	NE	L	319,307	24,638	29,605,345		29,949,290	
29.	Nevada	NV	L	87,557	8,578	10,781,458		10,877,593	
30.	New Hampshire	NH	L	184,754	15,032	52,041		251,827	
31.	New Jersey	NJ	L	67,388	11,179	1,047,978		1,126,545	
32.	New Mexico	NM	L	86,835	6,459	157,644		250,938	
33.	New York	NY	N	56,590	3,809	74,253		134,652	
34.	North Carolina	NC	L	761,194	48,189	31,646,827		32,456,210	
35.	North Dakota	ND	L	76,954		61,203		138,157	
36.	Ohio	OH	L	1,332,699	147,913	84,275,126		85,755,738	
37.	Oklahoma	OK	L	373,453	15,676	28,479,914		28,869,043	
38.	Oregon	OR	L	141,784	14,430	1,060,753		1,216,967	
39.	Pennsylvania	PA	L	1,155,886	9,746	32,976,562		34,142,194	
40.	Rhode Island	RI	L	50,653	5,372	7,112		63,137	
41.	South Carolina	SC	L	446,393	30,187	40,044,398		40,520,978	
42.	South Dakota	SD	L	247,792		83,617		331,409	
43.	Tennessee	TN	L	1,244,731	60,779	33,491,817		34,797,327	
44.	Texas	TX	L	2,526,301	196,645	128,456,456		131,179,402	
45.	Utah	UT	L	124,449		158,138		282,587	
46.	Vermont	VT	L	48,981		23,554		72,535	
47.	Virginia	VA	L	1,001,862	58,742	30,518,670		31,579,274	
48.	Washington	WA	L	212,050	3,502	297,912		513,464	
49.	West Virginia	WV	L	242,703	22,904	8,788,096		9,053,703	
50.	Wisconsin	WI	L	1,399,193	38,263	62,272,956		63,710,412	
51.	Wyoming	WY	L	68,342		6,218,013		6,286,355	
52.	American Samoa	AS	N					0	
53.	Guam	GU	L	0	0		0	0	0
54.	Puerto Rico	PR	N					0	
55.	U.S. Virgin Islands	VI	N					0	
56.	Northern Mariana Islands	MP	N					0	
57.	Canada	CAN	N					0	
58.	Aggregate Other Alien	OT	XXX	28,477	4,308	970	0	33,755	0
59.	Subtotal	(a)	51	30,832,957	2,372,530	1,350,556,003	0	1,383,761,490	0
90.	Reporting entity contributions for employee benefits plans	XXX						0	
91.	Dividends or refunds applied to purchase paid-up additions and annuities	XXX						0	
92.	Dividends or refunds applied to shorten endowment or premium paying period	XXX						0	
93.	Premium or annuity considerations waived under disability or other contract provisions	XXX						0	
94.	Aggregate or other amounts not allocable by State	XXX	0	0	0	0	0	0	0
95.	Totals (Direct Business)	XXX		30,832,957	2,372,530	1,350,556,003	0	1,383,761,490	0
96.	Plus reinsurance assumed	XXX						0	
97.	Totals (All Business)	XXX		30,832,957	2,372,530	1,350,556,003	0	1,383,761,490	0
98.	Less reinsurance ceded	XXX		29,342,364	2,372,530	163,019		31,877,913	
99.	Totals (All Business) less Reinsurance Ceded	XXX		1,490,593	0	(b) 1,350,392,984	0	1,351,883,577	0
DETAILS OF WRITE-INS									
58001.	ZZZ Other Alien	XXX		28,477	4,308	970		33,755	
58002.	.....	XXX							
58003.	.....	XXX							
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		28,477	4,308	970	0	33,755	0
9401.	.....	XXX							
9402.	.....	XXX							
9403.	.....	XXX							
9498.	Summary of remaining write-ins for Line 94 from overflow page	XXX		0	0	0	0	0	0
9499.	Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

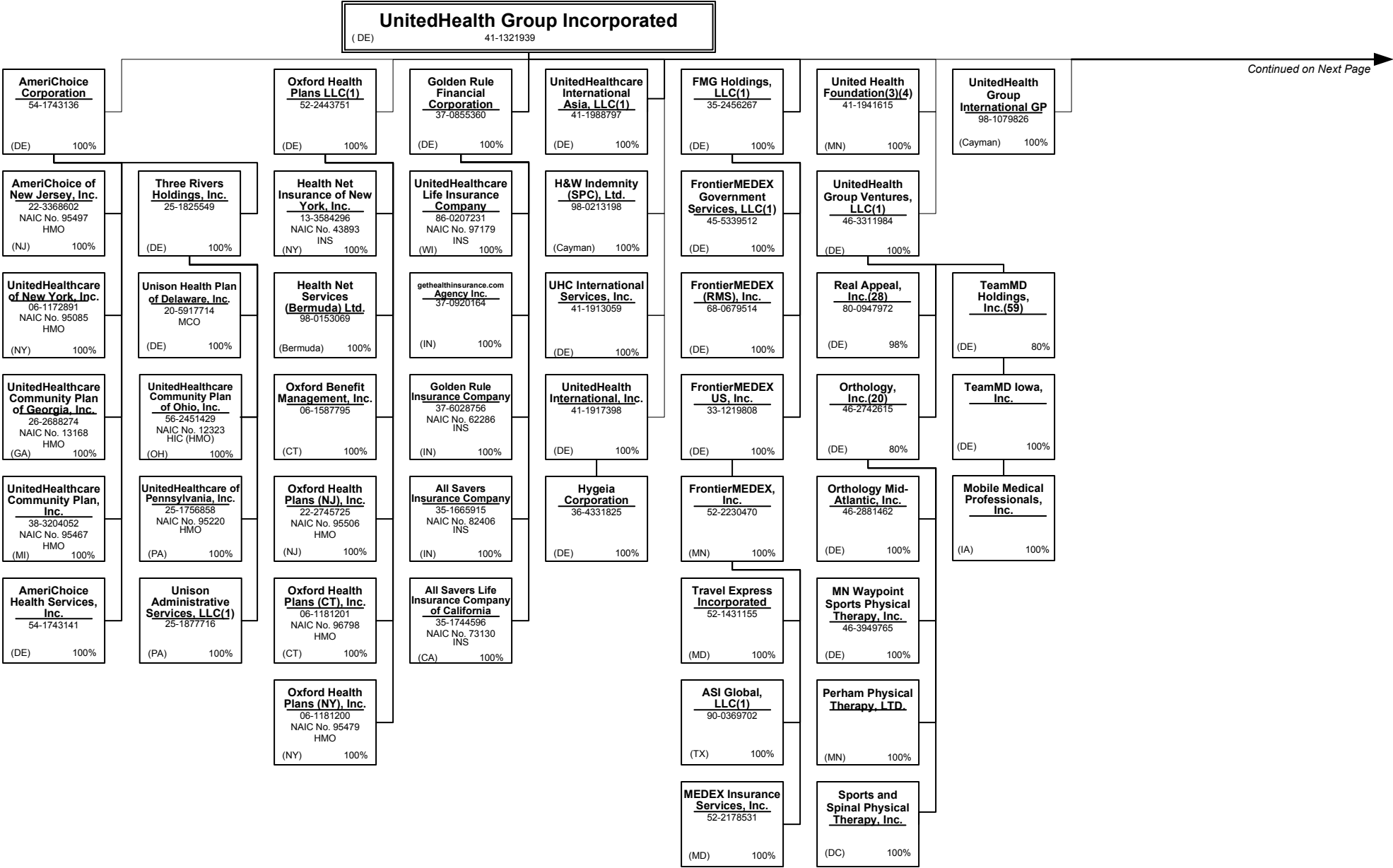
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Allocation of premium based upon insured's address address state.

(a) Insert the number of L responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10.

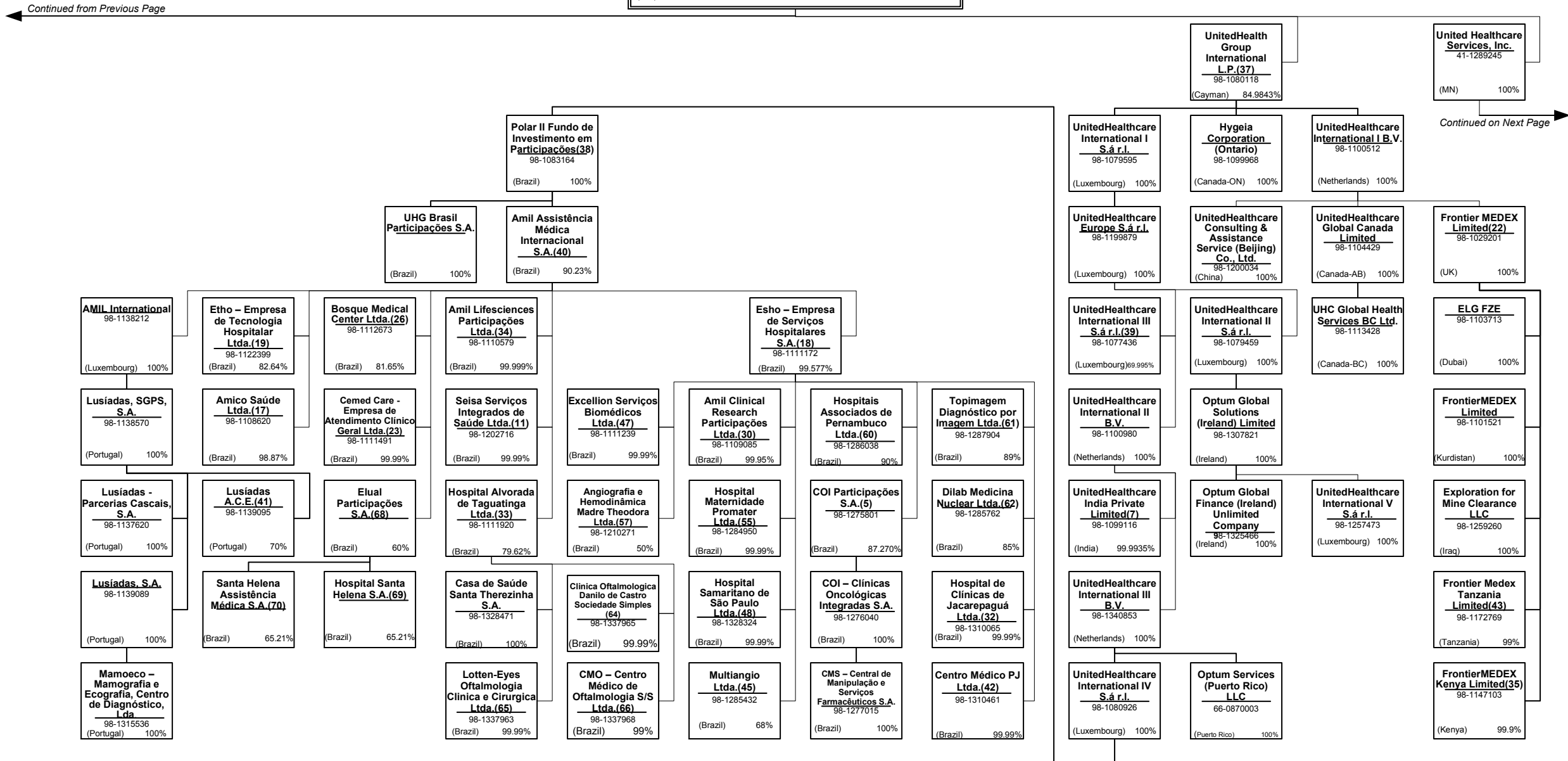
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



Continued on Next Page

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



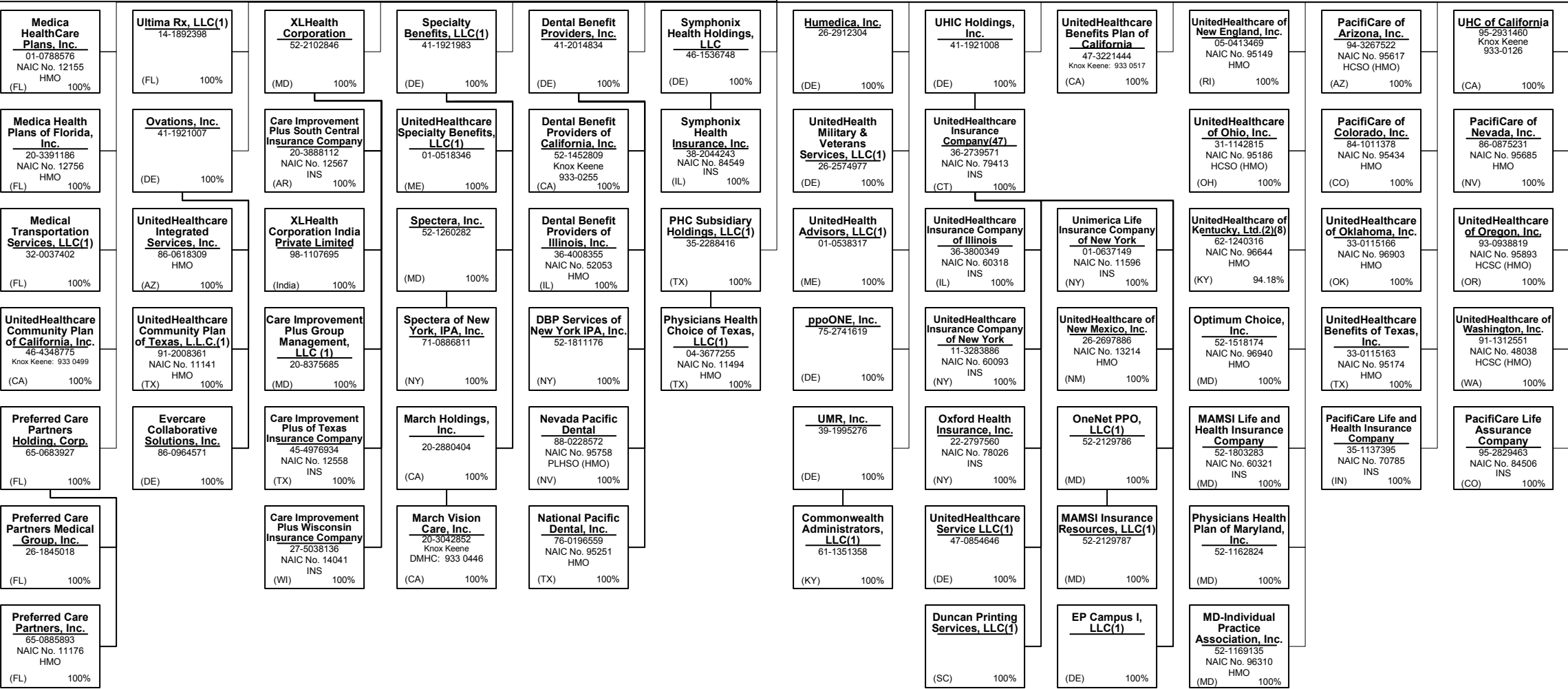
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.

(MN) 41-1289245 100%

Continued from Previous Page

Continued on Next Page



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.
(MN) 41-1289245 100%

UnitedHealthcare, Inc.
41-1922511
(DE) 100%

UnitedHealthcare of Alabama, Inc.
63-0899562
NAIC No. 95784
HMO
(AL) 100%

UnitedHealthcare of Illinois, Inc.
36-3280214
NAIC No. 95776
HMO
(IL) 100%

UnitedHealthcare of Georgia, Inc.
58-1653544
NAIC No. 95850
HMO
(GA) 100%

UnitedHealthcare Services Company of the River Valley, Inc.
36-3355110
(DE) 100%

Harken Health Insurance Company
35-1279304
NAIC No. 79480
INS
(WI) 100%

Sierra Health Services, Inc.
88-0200415
(NV) 100%

UnitedHealthcare of Arizona, Inc.
86-0507074
NAIC No. 96016
HCSO (HMO)
(AZ) 100%

UnitedHealthcare of Louisiana, Inc.
72-1074008
NAIC No. 95833
HMO
(LA) 100%

UnitedHealthcare of North Carolina, Inc.
56-1461010
NAIC No. 95103
HMO
(NC) 100%

UnitedHealthcare Plan of the River Valley, Inc.
36-3379945
NAIC No. 95378
HMO
(IL) 100%

Neighborhood Health Partnership, Inc.
65-0996107
NAIC No. 95123
HMO
(FL) 100%

Sierra Health and Life Insurance Company, Inc.
94-0734860
NAIC No. 71420
INS
(NV) 100%

Family Home Hospice, Inc.
88-0257036
(NV) 100%

Northern Nevada Health Network, Inc.
88-0245121
(NV) 100%

Arizona Physicians IPA, Inc.
86-0813232
(AZ) 100%

UnitedHealthcare of the Midlands, Inc.
47-0676824
NAIC No. 95591
HMO
(NE) 100%

UnitedHealthcare of Texas, Inc.
95-3939697
NAIC No. 95765
HMO
(TX) 100%

UnitedHealthcare Insurance Company of the River Valley
20-1902768
NAIC No. 12231
INS
(IL) 100%

Southwest Michigan Health Network Inc.
38-2609888
(MI) 100%

Health Plan of Nevada, Inc.
88-0201035
NAIC No. 96342
HMO
(NV) 100%

Prime Health, Inc.
88-0253112
(NV) 100%

Family Health Care Services
88-0223385
(NV) 100%

UnitedHealthcare of Arkansas, Inc.
63-1036819
NAIC No. 95446
HMO
(AR) 100%

UnitedHealthcare of the Mid-Atlantic, Inc.
52-1130183
NAIC No. 95025
HMO
(MD) 100%

UnitedHealthcare of Utah, Inc.
41-1488563
NAIC No. 95501
HMO
(UT) 100%

Sierra Health-Care Options, Inc.
88-0254322
(NV) 100%

Sierra Home Medical Products, Inc.
88-0385705
(NV) 100%

Southwest Medical Associates, Inc.
88-0201420
(NV) 100%

UnitedHealthcare of Colorado, Inc.
84-1004639
NAIC No. 95090
HMO
(CO) 100%

UnitedHealthcare of the Midwest, Inc.
43-1361841
NAIC No. 96385
HMO
(MO) 100%

UnitedHealthcare of Wisconsin, Inc.
39-1555888
NAIC No. 95710
HMO
(WI) 100%

Sierra Nevada Administrators, Inc.
88-0264562
(NV) 100%

UnitedHealthcare of Florida, Inc.
59-1293865
NAIC No. 95264
HMO
(FL) 100%

UnitedHealthcare of Mississippi, Inc.
63-1036817
NAIC No. 95716
HMO
(MS) 100%

Behavioral Healthcare Options, Inc.
88-0267857
(NV) 100%

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.
(MN) 41-1289245 100%

Optum, Inc.
30-0580620
(DE) 100%

OptumHealth Holdings, LLC(1)
47-1192395
(DE) 100%

Collaborative Care Holdings, LLC(1)
27-2337616
(DE) 100%

LifePrint Health, Inc.
27-2309024
(DE) 100%

Lifeprint East, Inc.
45-3143218
(DE) 100%

Lifeprint Accountable Care Organization, LLC(1)
32-0409538
(DE) 100%

Optum Nevada Accountable Care Organization LLC (1)
90-1001805
(DE) 100%

Optum Palliative and Hospice Care, Inc.
30-0226127
(DE) 100%

Collaborative Realty, LLC(1)
45-2614005
(NY) 100%

Optum Clinical Services, Inc.
45-3142512
(DE) 100%

Collaborative Care Services, Inc.
27-2337487
(DE) 100%

Collaborative Care Solutions, LLC(1)
27-3470466
(DE) 100%

Nevada Medical Services LLC(1)
46-3584152
(NV) 100%

WESTMED Practice Partners LLC(1)(52)
45-0636596
(DE) 86.15%

Monarch Management Services, Inc.
45-3142852
(DE) 100%

MHC Real Estate Holdings, LLC(1)
27-2252446
(CA) 100%

310 Canyon Medical, LLC(1)
27-2624551
(CA) 100%

ProHEALTH Medical Management, LLC(1)(53)
47-1049961
(DE) 80%

ProHEALTH Fitness of Lake Success, LLC(1)(54)
32-0229091
(NY) 82.62%

ProHealth Proton Center Management, LLC (1)
32-0455430
(DE) 100%

Day-Op Surgery Consulting Company, LLC (1)
(DE) 100%

Riverside Medical Management, LLC
(DE) 100%

Optum Clinics Holdings, Inc. (15)
37-1782217
(DE) 97.2%

Optum Clinics Intermediate Holdings, Inc.
38-3969193
(DE) 100%

Urgent Care Holdings, Inc.
26-0382877
(DE) 100%

Urgent Care MSO, LLC(1)
28-3867220
(DE) 100%

MedExpress Development, LLC(1)
20-3824377
(FL) 100%

MedExpress Urgent Care, Inc. - Ohio
(OH) 100%

Highlands Ranch Healthcare, LLC (1)
84-1472832
(CO) 100%

DWIC of Tampa Bay, Inc.
59-3625966
(FL) 100%

AppleCare Medical Management, LLC(1)
27-2068687
(DE) 100%

Golden Outlook, Inc.
20-3420886
(CA) 100%

Inspiris, Inc.
33-0766366
(DE) 100%

INSPIRIS of New York Management, Inc.
13-4138665
(NY) 100%

Inspiris of Tennessee, Inc.
20-5355196
(TN) 100%

For Health, Inc.
33-0766617
(DE) 100%

FOR HEALTH OF ARIZONA, INC.
86-0908902
(AZ) 100%

INSPIRIS of New York IPA, Inc.
13-4138668
(NY) 100%

Inspiris Services Company
26-0683057
(TN) 100%

INSPIRIS of Texas Physician Group(13)
26-2885572
(TX) 100%

Hospice Inspiris Holdings, Inc.
20-8910978
(TN) 100%

Optum Palliative and Hospice Care of Texas, Inc.
20-8911303
(TN) 100%

Optum Palliative and Hospice Care of Pennsylvania, Inc.
20-8911466
(TN) 100%

Polo Holdco, LLC(1)(46)
47-5563848
(DE) 80.1%

ProHealth Physicians, Inc.
06-1446075
(CT) 100%

ProHealth Physicians ACO, LLC
45-5470737
(CT) 100%

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.
(MN) 41-1289245 100%

Optum, Inc.
30-0580620
(DE) 100%

OptumHealth Holdings, LLC(1)
47-1192395
(DE) 100%

Collaborative Care Holdings, LLC(1)
27-2337616
(DE) 100%

WellMed Medical Management, Inc.(10)
74-2786364
(TX) 80%

USMD Holdings, Inc.
27-2866866
(DE) 100%

WellMed Medical Management of Florida, Inc.
74-2797745
(FL) 100%

Comfort Care Transportation, LLC(1)
11-3647007
(TX) 100%

R&H Family Fitness Unlimited LLC(1)
26-3168754
(TX) 100%

Medical Preparatory School of Allied Health, LLC(1)
26-4808018
(TX) 100%

Impel Management Services, L.L.C.(1)
75-2574317
(TX) 100%

Impel Consulting Experts, L.L.C.(1)
75-2574317
(TX) 100%

USMD Cancer Treatment Centers, L.L.C.
26-2245431
(TX) 100%

USMD Cancer Treatment Centers GP, L.L.C.(1)
(TX) 100%

USMD CT (Mo), LLC(1)
(MO) 100%

WellMed Networks – DFW, Inc.(63)
41-2250215
(TX) 50%

MXMD Centros De Cancer, S. De R.L. De C.V.
(MX) 50%

USMD Affiliated Services(3)
27-2956222
(TX) 100%

Medical Clinic of North Texas PLLC(1)
75-2566987
(TX) 100%

USMD Inc.
20-8050318
(TX) 100%

USMD Diagnostic Services, LLC(1)
27-2803133
(TX) 100%

Urology Associates of North Texas, P.L.L.C.(1)
(TX) 100%

USMD Administrative Services, L.L.C.(1)
20-8048861
(TX) 100%

USMD PPM, LLC(1)
35-2446102
(TX) 100%

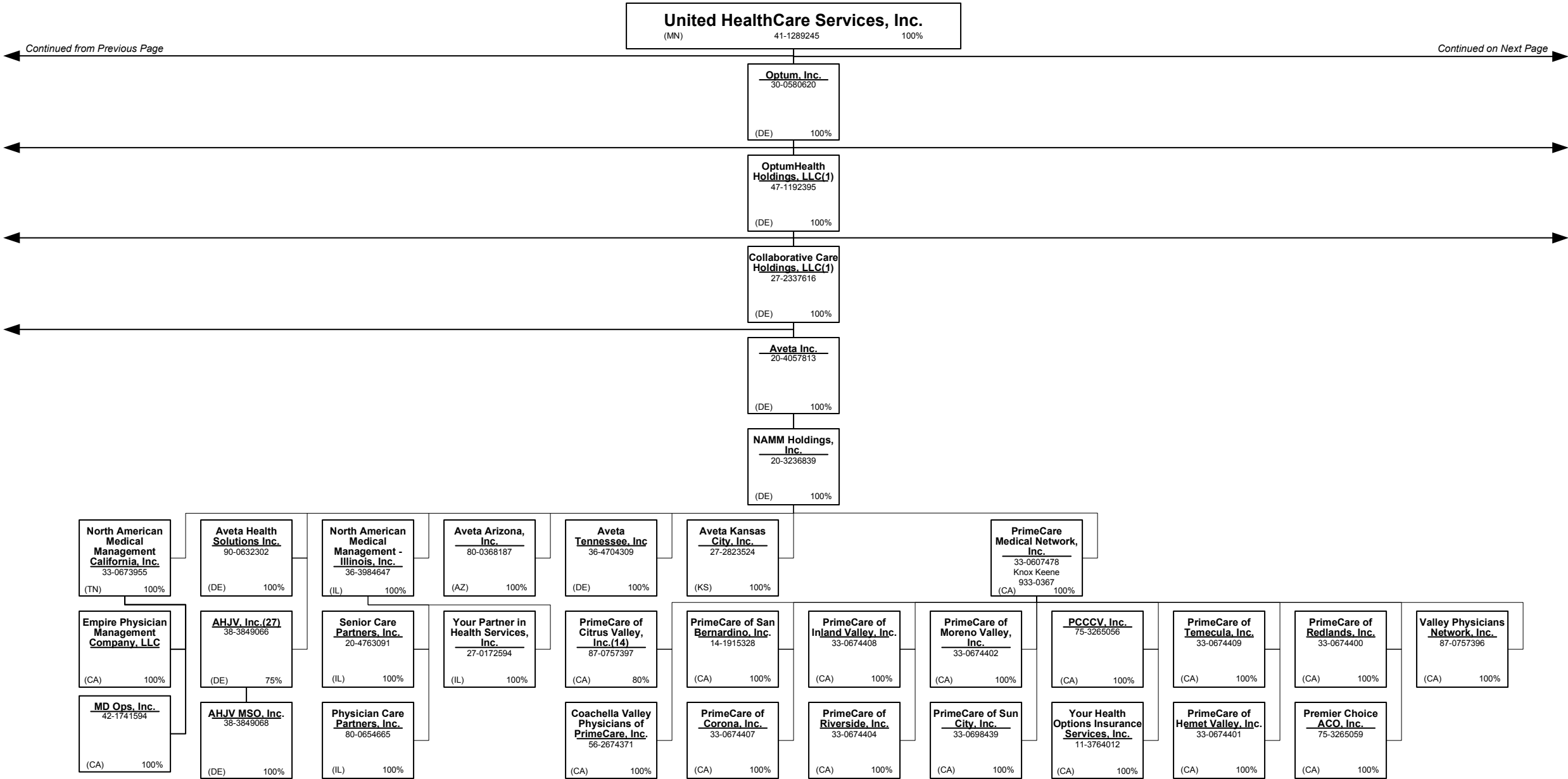
Mat-Rx Development, L.L.C.(1)
43-1967823
(TX) 100%

USMD of Arlington GP, L.L.C.(1)
(TX) 100%

Metro I Stone Management, Ltd.
(TX) 60%

Mat-Rx Fort Worth GP, L.L.C.(1)
(TX) 100%

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.
(MN) 41-1289245 100%

Optum, Inc.
30-0580620
(DE) 100%

OptumHealth Holdings, LLC(1)
47-1192395
(DE) 100%

Optum Services, Inc.
45-4683454
(DE) 100%

OptumHealth International B.V.
98-1106868
(Netherlands) 100%

Optum Health & Technology Holdings (US), LLC(1)
43-1747235
(MO) 100%

United Behavioral Health
94-2649097
(CA) 100%

Unimerica Insurance Company
52-1996029
NAIC No. 91529
INS
(WI) 100%

Logistics Health, Inc.
39-1974851
(WI) 100%

Managed Physical Network, Inc.
14-1782475
(NY) 100%

OrthoNet Holdings, Inc.
13-3960641
(DE) 100%

Optum Biometrics, Inc.
36-3437660
(IL) 100%

OptumHealth Care Solutions, Inc.
41-1591944
(MN) 100%

United Resource Networks IPA of New York, Inc.
30-0318238
(NY) 100%

Catalyst360, LLC(1)
20-5807941
(DE) 100%

Optum Health & Technology (India) Private Limited(12)
98-1095799
(India) 99.996%

Optum Health Services (Canada) Ltd.
98-1097921
(Canada-BC) 100%

Optum Management Consulting (Shanghai) Co., Ltd.
98-1098190
(China) 100%

U.S. Behavioral Health Plan, California
94-3077084
Knox Keene
933-0259
(CA) 100%

HealthAllies, Inc.
95-4763349
(DE) 100%

MSLA Management LLC(1)
(DE) 100%

ACN Group IPA of New York, Inc.
41-1913523
(NY) 100%

OrthoNet LLC(1)
13-3818652
(NY) 100%

OrthoNet Services, Inc.
46-1581769
(DE) 100%

Optum Women's and Children's Health, LLC(1)
58-2205984
(DE) 100%

Alere Health, LLC (1)
26-2564744
(DE) 100%

Rally Health, Inc.
35-2493256
(DE) 100%

Optum Health & Technology (Singapore) Pte. Ltd.
(Singapore) 100%

Optum Solutions UK Holdings Limited
98-0644599
(UK) 100%

United Behavioral Health of New York, I.P.A., Inc.
41-1868911
(NY) 100%

Distance Learning Network, Inc.
30-0238641
(DE) 100%

OptumHealth Financial Services, Inc.
47-0858530
(DE) 100%

ACN Group of California, Inc.
27-0015861
Knox Keene
933-0407
(CA) 100%

OrthoNet of the Mid-Atlantic, Inc.
30-0029448
NAIC: 11068
(DE) 100%

OrthoNet of the South, Inc.
26-2884306
(DE) 100%

Alere of New York, Inc.
58-1873082
(NY) 100%

Alere Health Improvement Company
22-3493126
(DE) 100%

Audax Health Solutions, LLC(1)
47-0990056
(DE) 100%

Optum UK Solutions Group Limited
98-1097769
(UK) 100%

UnitedHealth UK Limited
98-0559902
(UK) 100%

Optum Health & Technology (US), LLC(1)
20-2149493
(MO) 100%

Connexions, Inc.
59-3684411
(FL) 100%

Optum Bank, Inc.
47-0858534
(UT) 100%

Plus One Holdings, Inc.
13-3613705
(DE) 100%

OrthoNet New York IPA, Inc.
13-4025898
(NY) 100%

Cardio Management, Inc.
46-1981651
(DE) 100%

Optum Healthcare of Illinois, Inc.
58-2068880
(GA) 100%

Alere Wellbeing, Inc.
20-0231080
(DE) 100%

Spotlite, Inc.
46-5587702
(DE) 100%

Optum Health & Technology (UK) Limited
98-1095879
(UK) 100%

Optum Health Solutions (UK) Limited
98-1147355
(UK) 100%

Connexions HCI, LLC(1)
20-1825933
(FL) 100%

Plus One Health Management Puerto Rico, Inc.
(PR) 100%

OrthoNet West, Inc.
20-0221966
(DE) 100%

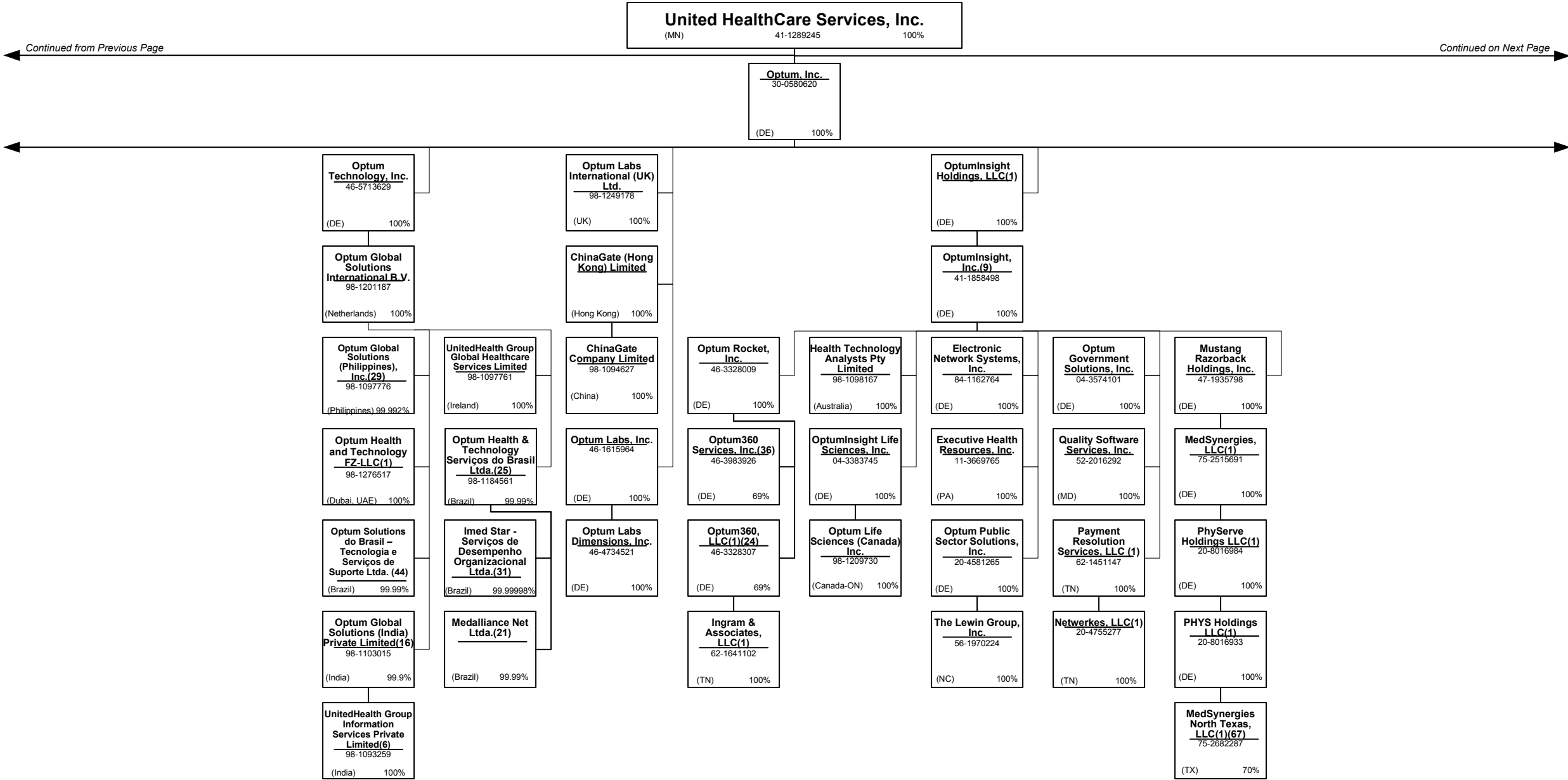
Alere Wellology, Inc.
54-1776557
(DE) 100%

Optum Health & Technology (Australia) Pty Ltd(49)
ACN:134 449 059
(Australia) 100%

ScriptSwitch Limited
(UK) 100%

International Psychological Services Pty Limited
98-1097022
ACN: 061-008-517
(Australia) 100%

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.

(MN) 41-1289245 100%

Optum, Inc.

30-0580620

(DE) 100%

OptumRx Group Holdings, Inc.

47-4734235

(DE) 100%

Catamaran S.á.r.l.

98-1069737

(Luxembourg) 100%

1070715 B.C. Unlimited Liability Company

98-1308130

(Canada-BC) 100%

Catamaran Holdings I, LLC(1)

80-0870454

(DE) 100%

OptumRx Administrative Services, LLC(1)

75-2578509

(TX) 100%

Healthcare Solutions, Inc.

77-0693060

(DE) 100%

OptumRx PBM of Illinois, Inc.

11-2581812

(DE) 100%

IRX Financing I LLC(1)

(DE) 100%

Salveo Specialty Pharmacy, Inc.

45-2219585

(DE) 100%

Catamaran Health Solutions, LLC(1)

46-0666840

(DE) 100%

Health Business Systems, Inc.

23-2171049

(PA) 100%

SXC Comet, LLC(1)

(DE) 100%

Cypress Care, Inc.

26-0080565

(DE) 100%

BriovaRx of Hawaii, LLC(1)

27-2348504

(HI) 100%

BriovaRx of Indiana, LLC(1)

46-2731176

(IN) 100%

OptumRx Home Delivery of Illinois, LLC(1)

47-1734077

(IL) 100%

BriovaRx of Nevada, LLC(1)

45-2532834

(NV) 100%

Crescent Drug Corp.

20-5654789

(NY) 100%

BriovaRx of New York, Inc.

74-3103518

(NY) 100%

BriovaRx of California, Inc.

20-4515146

(CA) 100%

OptumRx PBM of Maryland, Inc.

88-0361447

(NV) 100%

Catamaran Mail, LLC(1)

27-4241298

(DE) 100%

InPharmative, Inc.

88-0482274

(NV) 100%

Catamaran of Pennsylvania, LLC(1)

27-3419292

(DE) 100%

Coalition for Advanced Pharmacy Services, Inc. (1)

27-1193028

(DE) 100%

ScripNet, LLC

88-0492251

(DE) 100%

OptumRx PBM of Wisconsin, LLC(1)

38-3693753

(WI) 100%

PCN DE Corp.

20-2447772

(DE) 100%

BriovaRx of Maine, Inc.

01-0516051

(ME) 100%

OptumRx Discount Card Services, LLC(1)

31-1728846

(DE) 100%

OptumRx PD of Maryland, Inc.

61-1485410

(NV) 100%

Catamaran PBM of Puerto Rico, LLC(1)

26-1424534

(NV) 100%

Catamaran PD of Puerto Rico, LLC(1)

26-1438879

(NV) 100%

Catamaran PBM of Illinois II, Inc.

36-4049815

(IL) 100%

Optum Hospice Pharmacy Services, LLC(1)

20-0212381

(DE) 100%

First Rx Specialty and Mail Services, LLC(1)

26-4106571

(DE) 100%

Catamaran PD of Pennsylvania, LLC(1)

16-1767416

(PA) 100%

OptumRx Pharmacy of Nevada, Inc.

88-0373347

(NV) 100%

Modern Medical, Inc.

31-1191553

(OH) 100%

BriovaRx of Florida, Inc.

11-3647935

(DE) 100%

Pharmaceutical Care Network

68-0044962

(CA) 100%

BriovaRx, LLC(1)

55-0824381

(AL) 100%

BriovaRx of Massachusetts, LLC(1)

27-3331130

(MA) 100%

Catamaran Rebate Management, Inc.

26-3633484

(NV) 100%

Optum Insurance of Ohio, Inc.
31-0525424
NAIC: 69647
INS

(OH) 100%

Catamaran IPA III, Inc.

20-0218027

(NY) 100%

Catamaran Senior Services, LLC(1)

26-0543382

(AL) 100%

OptumRx Home Delivery of Ohio, Inc.

34-1472211

(OH) 100%

OptumRx PBM of Pennsylvania, LLC(1)

03-0592263

(PA) 100%

Procura Management, Inc.

14-1873402

(DE) 100%

BriovaRx of Texas, Inc.

20-2719823

(TX) 100%

AssuranceRx, LLC(1)

26-3878957

(AL) 100%

BriovaRx of Louisiana, LLC(1)

46-2790537

(LA) 100%

BriovaRx of Georgia, LLC(1)

27-1930321

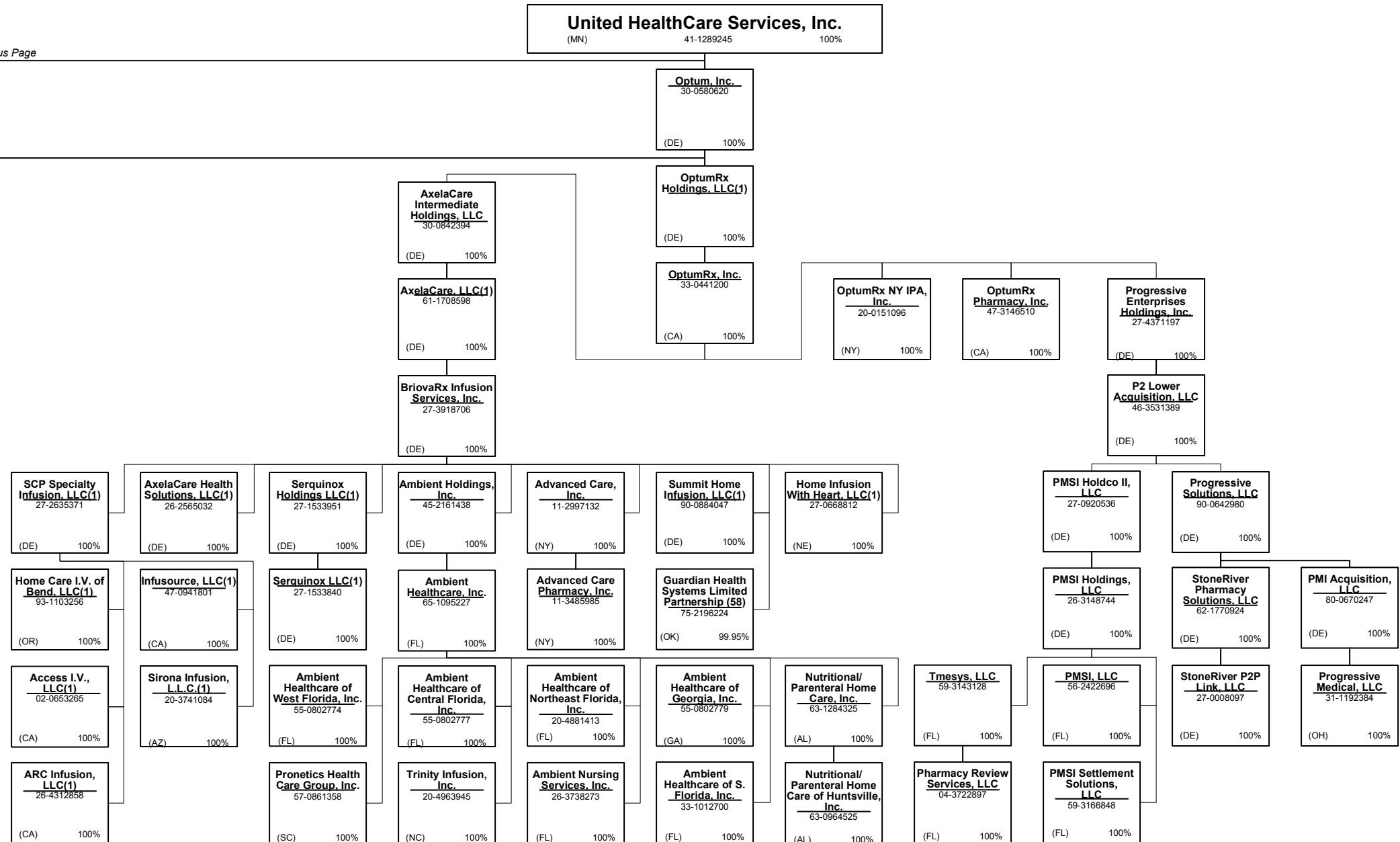
(AL) 100%

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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) COI Participações S.A. is 87.270% owned by Esho – Empresa de Serviços Hospitalares S.A. and 12.729% owned by COIPAR Participações S.A.
- (6) UnitedHealth Group Information Services Private Limited is 100% owned by Optum Global Solutions (India) Private Limited. UnitedHealth International, Inc. holds 10 shares as a nominee shareholder.
- (7) UnitedHealthcare India Private Limited is 99.9935% owned by UnitedHealthcare International II B.V. and 0.0065% owned by UnitedHealth International, Inc.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (9) Branch office located in Abu Dhabi, UAE.
- (10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.
- (11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000007% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
- (14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
- (15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.
- (16) Optum Global Solutions (India) Private Limited is 99.9% owned by Optum Global Solutions International B.V. and 0.1% owned by UnitedHealth International, Inc.
- (17) Amico Saúde Ltda. is 98.87947% owned by Amil Assistência Médica Internacional S.A. and 1.12053% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (18) Esho – Empresa de Serviços Hospitalares S.A. is 99.577% owned by Amil Assistência Médica Internacional S.A. and 0.0185976% owned by Treasury Shares and .4044814% owned by external shareholders.
- (19) Etho – Empresa de Tecnologia Hospitalar Ltda. 82.64% owned by Amil Assistência Médica Internacional S.A. and 17.357% owned by an external shareholder.
- (20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.
- (21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
- (22) Branch offices in Iraq and Uganda.
- (23) Cemed Care Empresa de Atendimento Clínico Geral Ltda. Is 99.9999995% owned by Amil Assistência Médica Internacional S.A. and 0.000005% owned by Amico Saúde Ltda.
- (24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
- (25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.

- (26) Bosque Medical Center Ltda. is 81.65320% owned by Amil Assistência Médica Internacional S.A. and 18.34680% owned by Esho – Empresa de Servicos Hospitalares S.A.
- (27) AHJV, Inc. is 75% owned by NAMD Holdings, Inc. and 25% owned by Humana, Inc.
- (28) Real Appeal, Inc. is majority-owned by UHG or one of its affiliates and the remaining 2% is owned by Real Appeal Management.
- (29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by the company's directors.
- (30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. and 0.05% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
- (32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999996% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000004% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (33) Hospital Alvorada Taguatinga Ltda. is 79.62822% owned by Amil Assistência Médica Internacional S.A. 20.37178% by Bosque Medical Center Ltda.
- (34) Amil Lifesciences Participações Ltda. Is 99.999685% owned by Amil Assistência Médica Internacional S.A. and 0.000315% owned by Cemed Care Empresa de Atendimento Clínico Geral Ltda.
- (35) FrontierMEDEX Kenya Limited is 99.9% owned by Frontier MEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.
- (36) Optum360 Services, Inc. is 69% owned by Optum Rocket, Inc. and 31% owned by two external interest holders.
- (37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (14.8145%), Hygeia Corporation (DE) (0.2012%) and UnitedHealth Group Incorporated (84.9843%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.
- (38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (39) UnitedHealthcare International III S.á r.l. is 69.995% owned by UnitedHealthcare Europe S.á r.l. and 30.005% owned by UnitedHealthcare International II S.á r.l.
- (40) Amil Assistência Médica Internacional S.A. is 90.23% owned by Polar II Fundo de Investimento em Participações and the remaining 9.77% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
- (41) Lusíadas A.C.E. is 70% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., and 20% owned by Lusíadas, S.A.
- (42) Centro Médico PJ Ltda. is 99.99% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.01% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (43) Frontier Medex Tanzania Limited is 99% owned by Frontier MEDEX Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.
- (44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999998% owned by Optum Global Solutions International B.V. and 0.00002% owned by OptumHealth International B.V.
- (45) Multiangio Ltda. is 68% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 32% is owned by external shareholders.
- (46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
- (47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.

- (48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
- (49) Branch office located in Hong Kong.
- (50) Dental Center Serviços Odontológicos Ltda. is 100% owned by Seisa Servicos Integrados de Saúde Ltda.
- (51) TBD
- (52) WESTMED Practice Partners LLC is 86.15% owned by Collaborative Care Holdings, LLC and 13.85% owned by external shareholders.
- (53) ProHEALTH Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
- (54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
- (55) Hospital Maternidade Promater Ltda is 99.99% owned by Esho – Empresa de Servicos Hospitalares S.A. and 0.00006% owned by Cemed Care Empresa de Atendimento Clínico Geral Ltda.
- (56) Hospital Geral e Maternidade Madre Maria Theodora Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empresa de Atendimento Clínico Geral Ltda.
- (57) Angiografia e Hemodinâmica Madre Theodora Ltda. is 50% owned by Hospital Geral e Maternidade Madre Maria Theodora Ltda. and 50% owned by 28 individual partners.
- (58) Guardian Health Systems Limited Partnership is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by AxelaCare Health Solutions, LLC.
- (59) TeamMD Holdings, Inc., a Delaware corporation, was formed as an 80% owned subsidiary of UnitedHealth Group Ventures, LLC, a Delaware limited liability company. The remaining 20% is owned by external shareholders.
- (60) Hospitais Associados de Pernambuco Ltda. is 90% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10% is owned by an external shareholder
- (61) Topimagem Diagnóstico por Imagem Ltda. is 89% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 11% interest is owned by external shareholders.
- (62) Dilab – Medicina Nuclear Ltda is 85% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 15% is owned by external shareholders.
- (63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
- (64) Clinica Oftalmologica Danilo de Castro Sociedade Simples is 99.99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
- (65) Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
- (67) MedSynergies North Texas, LLC. is 70% owned by PHYS Holding LLC. and the remaining 30% is owned by PhyServe Holdings, LLC.
- (68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
- (69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 34.79% owned by Esho – Empresa de Serviços Hospitalares S.A.
- (70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and 34.79 owned by Amil Assistência Médica Internacional S.A

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Golden Rule Insurance Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Liabilities Line 25

		1	2
		Current Year	Prior Year
2504.	Fines and Penalties	75,000	75,000
2505.	Unclaimed Property Payable	134,951	445
2597.	Summary of remaining write-ins for Line 25 from overflow page	209,951	75,445

Additional Write-ins for Exhibit 2 Line 9.3

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
09.304.	Professional Fees & Consulting	15,967	1,553,142	14,442,742			16,011,851
09.305.	Training & Recruiting	580	56,402	524,478			581,460
09.397.	Summary of remaining write-ins for Line 9.3 from overflow page	16,547	1,609,544	14,967,220	0	0	16,593,311

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